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ed Expects No Recession in '88

WASHINGTON — Alan Greenspan, the chairman of the Federal Reserve Board, told Congress Tuesday that the United States would face "formidable challenges" in keeping its five-year economic recovery alive but that he did not foresee a recession.

market, and inflation accelerating, and the types of pressures that usually precede an economic decline," he said.

The Fed predicted that consumer prices, as measured by an inflation index tied to the GNP, would rise 3.25 percent to 3.75 percent this year, up from 3 percent in 1987.

ended the day lower in New York trading. The Fed's forecasts had been widely anticipated.

Kiosk

Italy May Take U.S. F-16 Unit

BRUSSELS (NYT) — The United States and Italy have reached preliminary agreement on relocating the 72-jet fighter wing of U.S. F-16s now in Spain to a base in Italy, according to diplomats.

Edwin Meese says he will not resign as U.S. attorney general, but many Republicans fear he is becoming a political liability.

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General News

The United Nations Food and Agricultural Organization faces cuts because of a U.S. refusal to pay its dues. Page 2.

U.K.-Irish Rift Widens As Soldier Is Paroled

By Francis X. Clines
LONDON — The rift between London and Dublin widened Tuesday as Britain confirmed that the one British soldier ever sentenced to life for fatally shooting an Irish civilian had been quietly paroled and returned to service after only 26 months of confinement.

Discriminate Deterrence: Round 3 in a Crucial Debate

On the eve of an important NATO summit, Zbigniew Brzezinski, Henry A. Kissinger, Fred C. Ikle and Albert Wohlstetter, contributors to the Pentagon report "Discriminate Deterrence," responded to European concerns about the West's long-term security policy. Page 4.

2 Youths Are Killed in Israel Unrest

By John Kifner
JERUSALEM — Two 13-year-old Palestinians were shot to death Tuesday as the 10th week of constant unrest in the Israeli-occupied West Bank and Gaza Strip ended.

Senate Unit Warns Of Defeat for Iraq

WASHINGTON — An Iraqi defeat "is a realistic possibility" in the war between Iran and Iraq and would be "catastrophic" for Western interests in the Gulf, according to a report by the Senate Foreign Relations Committee.

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BUDGET INSPIRATION — Gary Hart in Madison, South Dakota, showing how he says Pat Robertson would balance the budget. The South Dakota primary is Tuesday. Meanwhile, a poll shows Michael S. Dukakis, Richard A. Gephardt and Bob Dole gaining voter attention. Page 3.

Soviets Report Ethnic Protest

By Philip Taubman
MOSCOW — The Soviet Union reported major nationalist disturbances Tuesday in an ethnically volatile area in the southern part of the country.

East German Wins Biathlon

Frank-Peter Röttsch of East Germany, right, leading Dmitri Yassiliev of the Soviet Union on the way to the Olympic gold medal Tuesday in the 10-kilometer biathlon. Röttsch is the first person to sweep the Olympics biathlon events. He won the 20-kilometer biathlon last week. Page 7.

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Controversial drawing recovered at 11th hour.

From Milan to Tokyo: The Strange Voyage of a 'Leonardo'

By Souren Melikian
A storm is about to break out in Italy and Japan over a drawing that may or may not be by Leonardo, the allegedly illicit export from Italy in 1985 and an extravagant set of circumstances that led a Japanese religious foundation to be threatened with legal action if it did not buy a drawing that its affiliated museum did not want.

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Suspects Held in Lebanon

But Little Hope Seen for Marine's Early Release

By Nora Boustany
Washington Post Service

BEIRUT — Security officials and independent military observers in southern Lebanon said Tuesday that three men involved in the kidnapping of a U.S. Marine officer, William R. Higgins, had been arrested.

Security officials in the port city of Tyre said that although Lieutenant Colonel Higgins, kidnapped last Wednesday, was still held in southern Lebanon, there was little hope of a quick release.

"Two of the kidnapers, who were in the front car, and a third person supposedly monitoring Col-

Higgins may have talked too much about his Weinberger connections, diplomats say. Page 2.

onel Higgins's movements, were arrested, but the abduction was a very elaborate and professional operation and involved five cars," one official said.

"The kidnapers switched their hostage from a Volvo to a pickup truck, then to a Mercedes 280, and then the trail is lost," he added.

Daoud Daoud, a commander of the Shiite Amal militia, confirmed that two of the actual participants in the kidnapping were seized. He said that another man, carrying a letter from Beirut to the kidnapers in southern Lebanon with orders to take him to the Lebanese capital, were arrested on the day the abduction took place. The latter did not get the opportunity to deliver his message, Mr. Daoud said.

Amal is searching for Colonel Higgins. This has caused friction with supporters of the fundamentalist Hezbollah, the Party of God, which is backed by Iran.

The Organization of the Oppressed on Earth, a clandestine group linked by some sources to Iranian agents in Lebanon, has accused Colonel Higgins, serving as chief of staff of the Lebanon unit of the UN Truce Supervision Organization, of being an agent of the Central Intelligence Agency under UN cover. UN Undersecretary-General Marnack L. Goulding, who visited Lebanon last week, described the allegation as "non-sense."

Revelations by the Pentagon that Colonel Higgins was an aide to former Secretary of Defense Caspar W. Weinberger, and press reports that the 43-year-old officer had high security clearance and access to classified information, have harmed chances for his release, UN sources said.

"This has been a very serious setback, especially if you understand how the minds of these kidnapers work. The more time it takes, the less the chances are he will be released," one official said.

"They now think they have a gold mine," he added. "With a shortage of foreigners in Beirut, and the stream of information on the man, the kidnapers probably think they have the top man in the CIA and they will try to get as much as they can from him from the highest bidder."

The kidnap organization, which released a video cassette of Colonel Higgins on Monday, has called for withdrawal of all Israeli forces in Lebanon, the liberation of Lebanese and Palestinian prisoners held in Israeli prisons, and an end to "American interference in Lebanon and the Middle East."

Ali Akbar Velayati, foreign minister of Iran, said in Jakarta on Tuesday that Iran will help any humanitarian effort to find a solution to the kidnapping of Colonel Higgins "if it is in a position to do so."

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Vertical sidebar containing various advertisements and notices, including real estate listings, classified ads, and office services.

U.S. May Face Painful Choices on Afghan Accord

By David B. Ottaway
Washington Post Service

WASHINGTON — With negotiations to get Soviet troops out of Afghanistan nearing what most observers describe as an "end game" phase in Geneva, the Reagan administration may find that its 1985 pledge to act as guarantor of a settlement will impose painful policy choices.

The choices may boil down to continuing U.S. support for the anti-Marxist Afghan resistance, which could jeopardize a settlement, or cutting off crucial aid to the mujahidin guerrillas and trusting Moscow's assurances that it will quickly withdraw all its 115,000 troops.

The stakes are tantalizing: A Soviet pull-out from Afghanistan would constitute a major gain for the so-called Reagan Doctrine, which is aimed at rolling back Soviet gains in the Third World since the mid-1970s. President Ronald Reagan has long portrayed himself as the West's foremost champion of anti-communism — "freedom fighters" around the world, but he has no victories to show yet.

Congressional conservatives and other supporters of the Afghan resistance are concerned, however, that the administration is about to "sell out" the rebels' cause in its haste to see a Soviet withdrawal accomplished before Mr. Reagan leaves office in January.

The immediate focus of these worries is a December 1985 administration commitment to become a guarantor of the peace accords that have been under negotiation for six years under United Nations auspices in Geneva.

The accords make no provision for a political settlement or a role in a new government for the U.S.-armed Afghan resistance, which has declined to participate in the talks between Afghanistan and Pakistan. The accords would permit inclusion of people who served in the pro-Soviet government in Kabul.

The Pakistan-based alliance also implicitly recognized, for the first time, the United Nations-sponsored peace talks in Geneva that it had previously denounced.

The alliance said a transitional government to rule during a Soviet troop withdrawal from Afghanistan should be established before the Geneva accords are signed, and should itself be a signatory.

The chairman of the rebel alliance, Mawlawi Yunus Khalis, reiterated that the rebels rejected any coalition with "communists," by which the mujahidin guerrillas usually mean the People's Democratic Party of Major General Najib.

Alliance leaders have said that, while sharing power with the Soviet-backed party is out of the question, some nonparty officials who cooperated with the present Kabul government might be acceptable.

On Monday, Afghan rebels based in Iran said they would not form a coalition with Marxists.

In a communiqué, the Pakistan-based alliance proposed a guerrilla-dominated government that would hand over power to an elected administration within months of the completion of the Soviet pullout.

The top tier would be a supreme council consisting of the seven mujahidin chieftains. The 28-member second tier would represent "all factions of the Afghan nation," the communiqué said.

The proposal was delivered to Pakistan, which will resume talks March 2 in Geneva with representatives of the pro-Soviet Afghan government. The document, produced after more than a week of wrangling by leaders of the seven factions, is a formal reply to the Soviet offer to withdraw its troops starting May 15.

The guerrilla alliance has been under pressure from Pakistan to come up with a detailed proposal that can be presented to the United Nations' special representative on Afghanistan, Diego Cordovez, when the peace talks resume.

Pakistan fears that Afghan refugees will not return home unless the present regime has been replaced. Islamabad has strongly hinted that it will not sign an agreement in Geneva until a coalition government has been established.

A senior Pakistani negotiator said Tuesday that the resistance proposal embodied major concessions: It implicitly accepted the concept that the team in Geneva could negotiate on the alliance's behalf; it did not put forward the alliance leaders as head of the government; it offered to guarantee the withdrawal of Soviet troops; and it proposed a non-aligned Afghanistan in whose reconstruction the Soviet Union would be invited to participate.

(WP, NYT)

NEWS ANALYSIS

CORDS NEMT THE UNITED STATES to end all military aid to the resistance at the start of a Soviet pullout, before there is any certainty of its completion.

The Soviet leader, Mikhail S. Gorbachev, offered this month to start a withdrawal May 15 and complete it in 10 months if the peace accords are signed by March 15 and the United States cuts off its military assistance to the resistance, which totaled \$600 million last year. The offer convinced skeptics in the U.S. intelligence community that Mr. Gorbachev is serious about a Soviet pullout this year.

Those in Washington who support the resistance, however, fear the administration will leave the guerrillas without sufficient military or political support to win their bloody, eight-year struggle to overthrow the Soviet-dominated government in Kabul.

Precisely what the U.S. commitment to act as guarantor means is unclear, partly because the wording of the accords is not known.

Senator Gordon J. Humphrey, Republican of New Hampshire, and Representative Charles Wilson, Democrat of Texas, are asking that the accords be made public and the nature of the commitment made clear; and 27 senators and 49 congressmen have written Mr. Reagan expressing their concern.

Whether this interpretation will be acceptable to UN and Soviet officials is unclear. A UN official said Washington and Moscow, as guarantors, were expected to give political support to the accords.

State Department officials say the U.S. commitment to act as a guarantor was always contingent on a satisfactory Soviet timetable and other, unspecified conditions.

A year ago, during Senate confirmation hearings on the appointment of Arnold R. Rapbel as U.S. ambassador to Pakistan, Mr. Rapbel told Mr. Humphrey that the administration's idea of an acceptable timetable was one based solely on logistical considerations.

Asked about the U.S. role as guarantor, Mr. Rapbel said the United States would give "political support to the settlement only if it is fair and equitable and meets our criteria," adding: "We have not signed carte blanche that, whatever is negotiated, we are going to support it."

Reagan resistance leaders oppose the agreement now in the making, largely because they have had no part in it.

A UN negotiator, Diego Cordovez, quietly began behind-the-scenes talks last year in an attempt to elicit agreement on the formation of an interim coalition government that would simultaneously set the scene for a political settlement and bring the resistance into the process. His efforts have yet to bear fruit, however.

The Reagan administration, which once pressed Mr. Gorbachev to announce a speedy withdrawal timetable, now finds itself in the embarrassing position of having such a timetable in hand while its key ally, Pakistan, is balking at signing the accords before an interim government is established that includes the resistance.

One of the four "instruments" making up the accords to be signed by the United States and the Soviet Union calls for an end to all

Rebels Offer Interim Plan For Afghan Government

Compiled by Our Staff From Dispatches
ISLAMABAD, Pakistan — The seven-party Afghan guerrilla alliance offered a proposal Tuesday for an interim government that apparently would permit inclusion of people who served in the pro-Soviet government in Kabul.

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(WP, NYT)

WORLD BRIEFS

Reagan Picks Aide as Navy Secretary

WASHINGTON (AP) — President Ronald Reagan named William J. Ball 3d on Tuesday to be secretary of the navy. He has been the chief lobbyist for both the State Department and the White House.

At the same time the administration gave strong support to Defense Secretary Frank C. Carlucci against criticism of his leadership by James H. Webb Jr., who resigned Monday as navy secretary after criticizing Mr. Carlucci's attempts to curb Pentagon spending.

"The budget restructuring under way at the Pentagon now is a difficult and painful process," the White House spokesman, Martin Fitzwater, said. "Secretary Carlucci is doing an admirable job. He's quite capable and suitable to the task and he's carrying out the president's policies in that regard."

Plan for Waldheim Speech Criticized

VIENNA (AP) — Parliamentary leaders of Austria's three main political parties called Tuesday for a reconsideration of plans to have President Kurt Waldheim give a speech at a ceremony March 11 marking the 50th anniversary of the country's annexation by Nazi Germany.

Several high-ranking politicians have suggested that the event be called off, saying a Waldheim speech is not the way for Austria to reflect on the Nazi era. At a news conference, leaders of the conservative People's Party, the Socialist Party and the rightist Freedom Party said organizers should rethink plans for the commemoration.

Anti-Waldheim demonstrations have been planned for March 11 and 12. Thousands of Austrians have demonstrated in central Vienna on two consecutive Sundays, and a group of leading intellectuals plans to sponsor more protests in an attempt to pressure Mr. Waldheim into resigning because of allegations about his activities as an officer in the German Army in World War II.

Museveni Reshuffles Uganda Cabinet

KAMPALA, Uganda (AP) — President Yoweri Museveni has reshuffled his cabinet for the first time since coming to power in January 1986, and has created three new posts for deputy prime ministers, the state-owned Radio Uganda reported Tuesday.

Mr. Museveni kept on all 38 ministers, transferring all but 12 of them to new posts. Among those receiving new portfolios is Stanislas Okurut, the former minister of culture, sports and youth, who has not been heard from since his kidnapping two months ago by rebels. Mr. Okurut is now the labor minister.

The new deputy prime ministers are Eriya Kategaya, a former minister of state, Paul Semogerere, former internal affairs minister, and Abubakar Mayanja, former information and broadcasting minister. Samsom Kisekka retained his post as prime minister.

Cabinet Minister Loses in Kenya Poll

NAIROBI (Reuters) — A cabinet minister lost his seat in the first round of Kenyan parliamentary elections, according to partial results on Tuesday. Under a new system of balloting, voters line up behind photographs of the candidate of their choice.

Henry Kosgey, the culture and social services minister, was ousted in the western constituency of Tindereit under a rule allowing candidates with at least 70 percent of the vote in the first stage to go on to general elections on March 21 unopposed.

Mr. Kosgey drew criticism for his management of the All Africa Games in Nairobi in 1987 and upset party bosses last month by missing the funeral of a close aide to President Daniel arap Moi.

Rights Group Criticizes Honduras

LONDON (AP) — Amnesty International says military-linked death squads in Honduras have resurfaced and are reported to be waging a campaign of torture and intimidation against government opponents and human rights activists.

The London-based human rights group says in a report to be issued Wednesday that the death squads are part of a widespread problem of rights abuses in Honduras. "Serious human rights violations, including arbitrary arrests, torture and ill-treatment are widespread in Honduras and show no signs of diminishing," the report says.

Amnesty International based its report on interviews with government and military officials and a range of nongovernment officials last year. The report says the death squads apparently have begun waging a new campaign of intimidation in the last two years. It says many abuses arose during strikes, disputes over farm land or army operations against guerrilla groups.

China Tries to Hold Back Price Rises

BEIJING (UPI) — China reimposed government-wide spending restrictions on Tuesday to brake rising prices. A spokesman acknowledged that failures in China's economic reform program have made inflation a major problem.

The State Council announced restrictions on spending for public institutions on 19 categories of goods, including automobiles, sofas, air-conditioners and video recorders. It also slashed purchasing authority for those bodies.

Urban dwellers will receive direct food subsidies, replacing the current method under which the government pays farmers and resells their products to consumers at controlled prices. An official acknowledged that "market prices rose at a higher rate than expected."

PULLOUT READINESS CITED

Earlier, Don Oberdorfer of The Washington Post reported from Brussels:

U.S. intelligence reports that the Soviet Union is already starting to move toward the exits in Afghanistan. One senior U.S. official said that Soviet forces will really withdraw, probably by the end of 1988, senior State Department officials said Tuesday.

Members of the Shultz party, which stopped in Brussels to brief North Atlantic Treaty Organization ministers on Mr. Shultz's two days in Moscow, said the intelligence reports indicated that Soviet troops were being garrisoned "in a more defensive way," apparently in preparation for a pullout.

Other reports suggest that Soviet dependents are being withdrawn and that advisory personnel who leave Afghanistan are not being replaced. One senior U.S. official cited such reports as evidence of the Soviet intention to withdraw irreversibly.

Mr. Shultz, in a news conference Monday night in Moscow after ending talks with the Soviet leader, Mikhail S. Gorbachev, and the foreign minister, Eduard A. Shevardnadze, said: "I don't have the slightest doubt that the Soviet Union decided it wants to leave Afghanistan."

He added: "We think it will be a good thing if Soviet troops are out of Afghanistan by the end of this year and the refugees are able to return to their country and the citizens of Afghanistan can construct a government to their liking."

Mr. Shultz and his aides, who included the administration expert on Afghan diplomacy, Undersecretary of State Michael H. Armacost, did not obtain the details they had sought in Moscow about the timing, phasing and ground rules of a Soviet withdrawal.

While this was initially a disappointment, senior officials said they believed the Kremlin withheld the data out of fear of news leaks that could lead to a collapse of the pro-Soviet government in Kabul.

Mr. Armacost left Mr. Shultz's party Tuesday to fly to Pakistan.

Soon after the Soviet withdrawal terms became firm, the senior officials said, pro-Soviet Afghan officials are likely to begin seeking haven in the Soviet Union.

Mr. Gorbachev, in his meeting Monday with Mr. Shultz, gave additional assurances about the withdrawal, according to an account released by Tass.

U.S. to End Visas for British Visitors

LONDON (UPI) — The United States will lift visa requirements for Britons traveling to the United States on vacation or business beginning at the end of the year, a Foreign Office spokesman said. The U.S. Embassy said a similar arrangement with Japan also was expected.

The British spokesman said that the decision, made after two years of negotiation between London and Washington, would enable British citizens to enter the United States for up to 90 days without a visa as long as they had a ticket and valid passport.

Only those seeking to work or live in the United States would have to get visas. "This is part of a reciprocal arrangement between the United States and Britain," a U.S. Embassy spokeswoman said. "From the end of the year, we will also have a similar arrangement with Japan."

France's domestic airline, Air Inter, moved Tuesday to break a long-running series of strikes by flight crews by leasing 17 aircraft from French, Belgian and Swiss carriers, airport officials said. (Reuters)

Rush-hour transport came to a standstill in several West German cities Tuesday as public sector workers staged token strikes for higher pay and a shorter working week. Services halted on streetcars, buses and subways in Stuttgart, Düsseldorf and in the Ruhr area. (Reuters)

ISRAEL: 2 Palestinians Killed

(Continued from Page 1)

had been employed against "innocent victims such as young children, pregnant women and the elderly."

The army said Tuesday that its education office was preparing a "Letter to a Soldier," explaining the regulations governing the use of force.

The defense minister, Yitzhak Rabin, defended his policies in the Knesset, Israel's parliament, saying that the country was engaged in a "civil war."

"There is no calming down in the territories," he said. "The riots there come in waves. We are in a stage of things growing more serious."

"This is a political confrontation through violent means," he said, "in this case a war of civilians, women and children in order to achieve a political goal. In this line its seriousness, and one must use force against it so that violence does not seize control."

At dawn on Tuesday, in what has become a new tactic, the army closed off and entered the village of Yamoun, near Jenin, in the West Bank. An army spokesman quoted the unit commander, a lieutenant colonel, as saying that they were met with barrages of stones, firebombs, metal bars and potatoes with nails stuck in them.

The soldiers fired, and a 13-year-old youth, Mamoud Hoshiyeh, was killed and two other Palestinians were wounded.

In a clash apparently involving Jewish settlers, Rawda Lutfi Najib, age 13, was shot in the village of Baqa al-Sharqiyeh, north of Tulkarem. A military official said an Israeli civilian had been detained for questioning.

The deaths brought the total in what Palestinians are calling "the uprising" to 63, according to an unofficial count.

Foreign Minister Shimon Peres visited the West Bank city of Nablus during the day, where hundreds of residents crowded around to "show their grievances."

"If the stone-throwing stops, the army will leave you alone," Mr. Peres said. "The soldiers are just defending themselves. What do you expect if they're throwing stones and Molotov cocktails?"

Meanwhile, President Chaim Herzog was elected unopposed to a second five-year term in the largely ceremonial post Tuesday. Sponsored by the Labor Party, he received wide backing from the rightist Likud bloc in the Knesset vote.

Iran Frees 2,000 Prisoners

PARIS — More than 2,000 prisoners in Iran have been amnestied in the past 10 days to mark the ninth anniversary of the Islamic revolution, the Iranian news agency reported Tuesday.

Abducted Colonel Spoke of U.S. Links

By David B. Ottaway and Molly Moore
Washington Post Service

WASHINGTON — Lieutenant Colonel William R. Higgins, the U.S. Marine Corps officer who was kidnapped last week by Shiite Muslim militants in southern Lebanon, may have attracted attention to himself by letting it be known widely that he had previously worked for the former secretary of defense, Caspar W. Weinberger, according to Arab diplomats and others close to the UN operation in Lebanon.

The officials said Colonel Higgins had let it be known among his colleagues with the United Nations Truce Supervision Organization and others in Lebanon that he had served as an aide to Mr. Weinberger.

"Higgins presented himself as a sort of super envoy, as Cap Weinberger's envoy," said a person close to UN organization, adding, "He came across as a bit of a cowboy."

Both the Christian-run Radio Free Lebanon in Beirut and the Israeli radio have carried reports saying Colonel Higgins often spoke of his former association with Mr. Weinberger.

The Organization for the Oppressed of the Earth has taken responsibility for the kidnapping and called Colonel Higgins an agent for the Central Intelligence Agency. The Reagan administration has strongly denied this.

On Monday, Colonel Higgins' captors made public a 70-second videotape in which he was shown reading demands of the organization, which included release of prisoners in Israel and a halt to "U.S. intervention" in the Middle East.



Lieutenant Colonel William R. Higgins, on duty in Lebanon.

Colonel Higgins, 43, served as the junior military assistant to Mr. Weinberger from June 1985 until he was assigned to the UN post in June 1986. He performed a wide variety of administrative duties in the Pentagon, but never held a senior-level job.

U.S. and Arab officials suggested that Colonel Higgins' past position as a Weinberger aide might explain why he was attracted to the attention of the militant Shiite group Hezbollah, which is believed to be behind his kidnapping on Feb. 17.

The U.S. and Arab officials suggested that another possible reason for the kidnapping might have been Hezbollah's dislike of all UN peacekeeping forces in southern Lebanon, where the militant group is in sharp competition with the Shiite Amal organization, which supports the UN presence.

Hezbollah published a "manifesto" in February 1983 attacking the 5,800-man UN Truce Supervision Organization in Lebanon, which has served since 1978 in southern Lebanon, as a source of Western influence and spies in the country.

Colonel Higgins, according to various officials, was a highly ambitious officer who volunteered for the job as head of the UN Truce Supervision Organization's 75-man Lebanon Observer Group and hoped to use it as a springboard to senior rank. He had spent most of the last seven years in Pentagon assignments, and experience in peacekeeping roles abroad is widely regarded within the U.S. military as one road to success.

Defense Department officials said the assignment offered him a chance to lead a multinational

Reagan Says U.S. Firm on NATO Pact

By Joseph Fitchett
International Herald Tribune

PARIS — President Ronald Reagan reaffirmed on Tuesday the traditional U.S. defense commitments to Western Europe, saying that "an attack on Munich is an attack on Chicago."

That statement — intended to answer Western European doubts about whether a U.S. head of state would expose a U.S. city to a nuclear exchange in defense of Europe — reflected the reassuring tone of the speech, which was broadcast to NATO nations via the Worldnet system of the United States Information Service.

But Mr. Reagan did not offer specifics on any points of friction between the United States and the Allies, such as the future of nuclear deterrence or the need to find a more unified alliance approach to arms control.

He indirectly criticized leftist groups in Europe, whom he said failed to see that only firmness works in dealing with the Soviet Union.

Mr. Reagan, apparently sketching out the U.S. position in the NATO summit meeting next week in Brussels, said that the United States will keep troops in Europe and maintain its nuclear forces.

He praised European solidarity in deploying intermediate-range nuclear forces and then supporting the INF Treaty that eliminated them.

He also welcomed moves by France, West Germany and Britain to expand bilateral defense cooperation "within the overall framework of the alliance."

Without mentioning Soviet calls for new security links with Western Europe in a "common European house," Mr. Reagan said that Western nations already "live in a single house" and should beware of the Soviet Union.

As a counter to West German calls for closer East-West ties to improve contacts between the two Germanies, Mr. Reagan said that the Soviet Union could ease commercial and cultural access to West Berlin.

The government temporarily closed the Baltic republic of Estonia to foreign diplomats and journalists on Tuesday. Estonian nationalists have called for protests on Wednesday to mark the 70th anniversary of Estonian independence day. The republic was independent for a 20-year period between the World Wars.

The disturbances in Nagorno-Karabakh began Feb. 11, when leaflets started appearing around the region calling for unification with Armenia. Lvresvia said.

The region, an area of arid mountains that is known for the longevity of many residents and the production of sheepskins, grapes and tobacco, has 126,000 Armenians and 37,000 Azerbaijanis. The Armenians are predominantly Christian, and the Azerbaijanis are mostly Moslems.

UN Food Agency Braces for U.S. Aid Cut

By Barry James
International Herald Tribune

The United Nations Food and Agriculture Organization in Rome is bracing itself for a new round of belt-tightening because of a U.S. refusal to pay assessed membership dues to international organizations that are not considered to be serving American interests.

The New York Times quoted diplomats and officials at UN headquarters in New York as saying that the Reagan administration plans to cut its assessed FAO contribution by half to \$25 million from \$50 million. The organization primarily aids agricultural development in the Third World.

The FAO's director of information, Richard Lydiker, said in a telephone interview that the agency has not officially been informed of U.S. spending plans.

He said the \$50 million appears to refer to the money the United States owes from 1987 rather than its assessment of \$60 million for 1988, that would provide about a quarter of the organization's \$245 million budget for this year.

In all, Mr. Lydiker said, the United States owes the organization \$132 million, including money still not paid for 1986.

Fred J. Eckert, the U.S. ambassador to the FAO, said the United States does not plan to release money to the agency until it sees movement on the financial and program reforms it is advocating.

"We have very definite ideas about reforms we want to see achieved and we are very serious about achieving them," Mr. Eckert

IRELAND: Parole Widens Rift

(Continued from Page 1)

Cardinal O'Fiaich spoke in Northern Ireland at the funeral of an unarmed civilian who was killed Sunday by a British soldier at a checkpoint in County Tyrone.

The British have apologized for the machine gun death and taken the soldier into custody. He reportedly claimed the weapon fired accidentally.

The family of the victim, Aidan McAnespie, 24, is angrily skeptical that accident was involved in the sidewalk shooting 200 to 300 yards beyond the checkpoint.

The anger of Irish Catholic nationalists at his crowded funeral near the border with the Irish Republic was compounded by the news of the unannounced pardon of a British soldier convicted of homicide in a 1983 shooting of an unarmed civilian in West Belfast.

Prime Minister Charles Haughey of Ireland has complained of Northern Irish justice in recent weeks.

The British Home Office said that a number of factors went into the parole decision, including the circumstances of the case, the age of the soldier — 18 years — at the time, the year he waited in jail for trial, and his good behavior in prison.

GULF: Warning on Iraq

(Continued from Page 1)

staff members included a trip into the Kurdish northern provinces of Iraq, where he found the government's hold has deteriorated "dramatically" because of an Iranian-backed insurgency.

The report says that the insurgency poses "a major military threat" to Iraqi control of the Kurdish region, where 20 percent of the population lives. Iraq has moved Kurds from mountain villages into new valley towns.

The situation in the central sector of the war front, which has been the most stable because of Iraq's superior armored forces, could change because Iran has yet to use the 2,000 TOW anti-tank missiles it obtained from the Reagan administration, analysts said.

SOVIET: Ethnic Protests

(Continued from Page 1)

nationalities policy, which is described as "the most fundamental, vital issue of our society."

The Soviet Union is made up of more than 100 distinct ethnic groups that were united under Soviet control in the 1920s, in some cases by force. Many remain hostile to Moscow and, encouraged by Mr. Gorbachev's calls for more openness and democracy, have agitated for greater autonomy.

According to the 1979 census, 52 percent of the Soviet population was Russian. The centrifugal force of nationalism is viewed by some Western analysts as the most serious long-term threat to the integrity of the Soviet state.

The government has reported incidents of nationalist protest in the last 18 months in the Baltic cities of Vilnius, Riga and Tallinn as well as the Central Asian cities of Alma-Ata and Tselinograd and the Siberian area of Yakutia.

The government temporarily closed the Baltic republic of Estonia to foreign diplomats and journalists on Tuesday. Estonian nationalists have called for protests on Wednesday to mark the 70th anniversary of Estonian independence day. The republic was independent for a 20-year period between the World Wars.

The disturbances in Nagorno-Karabakh began Feb. 11, when leaflets started appearing around the region calling for unification with Armenia. Lvresvia said.

The region, an area of arid mountains that is known for the longevity of many residents and the production of sheepskins, grapes and tobacco, has 126,000 Armenians and 37,000 Azerbaijanis. The Armenians are predominantly Christian, and the Azerbaijanis are mostly Moslems.

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Californians to Swallow a Big Dose of Warnings on Poisons

By Robert Reinhold
New York Times Service

LOS ANGELES — Starting Saturday, life will change for the 24 million residents of California. Almost daily, they will receive pointed reminders about the chemical risks of the good life of the 20th century.

When they pull up to self-service gasoline stations, they will be confronted with signs like the one at a 76 Union station, warning that "chemicals known to the state of California to cause cancer, birth defects and other reproductive harm" are in the gasoline and its vapors.

Posters at 62,000 grocery stores and newspaper advertisements will offer a toll-free telephone number for information about toxic substances in products on the shelves.

At Advanced Micro Devices, a computer chip maker in Sunnyvale, the usual safety information given employees will have stickers added telling them that they may be exposed to three chemicals — chromium, arsenic and lead — "known to the state of California" to cause cancer or birth defects.

These are the result of a far-reaching California law that has drawn national interest and concern. The law, the Safe Drinking Water and Toxic Enforcement Act, was passed overwhelmingly by public

referendum in November 1986. It puts the burden on companies to prove their products and emissions are safe or give public warnings, and it establishes a "bounty hunter" provision whereby citizens who sue violators can keep 25 percent of any fines.

Its backers call it the dawn of a new environmental age.

"California will become the most conservative state in the world with respect to exposure to dangerous chemicals," said Assemblyman Tom Hayden, a major backer of the law. He added that he thought numerous products marketed nationally would be changed to "pass the California health test."

But critics of the law, which is popularly known as Proposition 65, see the beginning of a nightmare in which the public will get an overdose of confusing, costly and redundant warnings from companies fearful of lawsuits.

Dick Kreuzen of the Environmental Working Group, an industry body formed to cope with the law, said that banks had begun to ask borrowers for their Proposition 65 plans and that some California manufacturers were having difficulty obtaining needed raw materials from nervous out-of-state suppliers.

Under the law, no business may expose people to chemicals that cause cancer or

birth defects without giving a "clear and reasonable warning."

Exceptions are made when "no significant risk" of human cancer, or "no observable effect" at 1,000 times the level of exposure when it comes to birth defects, can be proven. Failure to give a warning can bring fines of up to \$2,500 a day for each exposure.

A provision of the law also prohibits any business from knowingly discharging such chemicals into drinking water. That provision goes into effect on Oct. 27 and carries criminal penalties.

The warnings must start Saturday for 29 substances designated by Governor George Deukmejian under the requirements of the law. Mr. Deukmejian opposed the law.

The list includes such common industrial chemicals as benzene, lead, vinyl chloride, chromium, arsenic and asbestos. Later, 149 other carcinogens and birth-defect toxins, including ethyl alcohol in alcoholic beverages, will be added. Ambient cigarette smoke also may be added by the governor, who is empowered to issue regulations to enforce the law.

While there is little dispute among scientists that these chemicals are toxic, the law renews debates about the dosages at which they are dangerous by requiring the companies that emit or use the chemicals to

define the safety levels. Environmentalists contend that existing federal standards often are inadequate.

Thus, in a striking reversal of environmental facts, the Grocery Manufacturers of America and other national and local business organizations lobbied intensely for precise regulations governing what constitutes "no significant risk" or "clear and reasonable warning."

Interim regulations issued on Feb. 16, the Deukmejian administration spelled out the levels that would trigger the warnings. But in doing so, it stirred more debate by stating that, at least temporarily, existing safety levels established by the U.S. Food and Drug Administration would be accepted for foods, drugs, cosmetics and medical devices.

"We tried to draw a line so people who have to obey the law know what to do," said Thomas E. Warriner, the state's undersecretary of health and welfare, adding that the standards would be adjusted continually.

The regulations also gave qualified endorsement to a proposal by supermarkets to avoid having to label every product by posting a toll-free information number at entrances.

Environmentalists immediately threatened to sue.

"The existing federal law isn't tough

enough," said David Roe, senior lawyer for the Environmental Defense Fund in Oakland and a co-author of the law. "The people of California didn't go to all this trouble just to endorse the existing system."

California's huge wine industry is particularly concerned about avoiding labels on bottles. For now, the warnings are required only at the point of sale — markets, restaurants and taverns — saying that drinking alcoholic beverages during pregnancy can cause birth defects.

"We are saying that if there is any product for which labeling is appropriate it is alcohol because it is often drunk by people who do not buy it," said Mr. Roe of the Environmental Defense Fund.

Sam Folsom of the Wine Institute, which represents 535 California wineries, said: "We have no idea what the final effect will be, but it's really an affront to the integrity of the product. Wine is the traditional drink of moderation with thousands of years of history and how it's being branded a hazardous concoction."

Businesses are deeply worried, too, by the "bounty" provision. Two weeks ago, the Environmental Defense Fund, the Natural Resources Defense Council and the Sierra Club California held a conference in Los Angeles to train lawyers in bringing suits against companies for the 25 percent bounty.

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Meese Is Determined Not to Resign Despite Republican Election Fears

By Lou Cannon
Washington Post Service

WASHINGTON — Attorney General Edwin Meese 3d has told friends he intends to ride out the storm created by the latest disclosures about his role in an Iraqi pipeline project, despite a growing perception in Republican circles that he has become a severe political liability.

Sources close to President Ronald Reagan say the president still has confidence in Mr. Meese and will not ask him to resign.

The sources said Mr. Reagan, if asked about Mr. Meese at the news conference he has scheduled for Wednesday night, is expected to say he will make no comment while the attorney general remains under investigation by an independent counsel, James C. McKay.

The White House spokesman, Marlin Fitzwater, who in the past has expressed Mr. Reagan's confidence in Mr. Meese, declined comment Monday after documents about the pipeline project were released by Mr. Meese's attorney.

One of the documents, a memo written to Mr. Meese by a close friend in 1985, said "a portion" of the proceeds from a projected oil pipeline from Iraq to Jordan would "go directly" to the Israeli Labor Party.

The friend, E. Robert Wallach, had a financial interest in the pipeline project, which never came to fruition. He said in the document that the payments to the Labor Party "would be denied everywhere."

The memo is at the center of an investigation of Mr. Meese by Mr. McKay, who is looking into whether the attorney general reacted properly to the suggestion of political payments. The existence of the memo was disclosed last month but it was made public by Mr. Meese only Monday, after it had been declassified.

Mr. Meese's spokesman, Terry H. Eastland, said when asked if Mr. Meese would step aside until the investigation is completed: "Mr. Meese's intention is to continue serving in office."

Republicans who question Mr. Meese's judgment have made an attempt to persuade Mr. Reagan to remove him. The president's reluctance to back away from any member of his administration who is under attack is well known, and Mr. Reagan's association with Mr. Meese, which goes back more than 20 years, makes such a move even less likely.

"Meese is the last of the old Californians to remain in the administration," said a White House official, referring to Mr. Meese's years as governor of California.

"No one's trying to push Meese out, not because they wouldn't like to but because they know the president wouldn't stand for it," said an administration official who believes the attorney general could become a major campaign issue for the Democrats this year.

"The real question is whether Meese is indicted," said a Republican close to the White House. "If

he is, the sleaze issue becomes very, very big. If he isn't, then it could fade."

Sources familiar with surveys taken for the White House show that the issue of ethics is less important than the economy or key foreign policy issues but that it has, as one official said, "the potential for growth, all of it at our expense."

This official said the convictions of two former White House officials, Michael K. Deaver and Lyn Nofziger, had made voters more conscious of influence-peddling, but he added: "People know that a lot of that goes on in Washington, whether there are convictions or not. There has never been a sitting attorney general of the United States indicted before."

One Republican source said that in a year in which the economy will not be a clear-cut advantage for either party and Republicans may have the advantage on foreign policy issues, "the ethics issue could fill the vacuum, to the advantage of the Democrats."

The issue is of particular concern to Republicans because it is important to ticket-splitting and independent voters who often provide the margin of victory or defeat in close elections.

A number of conservative allies of Mr. Meese have rallied around him and told him not to step aside, administration sources said. But even in conservative ranks there is some uneasiness about what could happen if Mr. Meese remains in office.

Americans Waking Up to Campaign Poll Finds New Support for Dukakis, Gephardt and Dole

By Michael Oreskes
New York Times Service

NEW YORK — After major campaign tests in Iowa and New Hampshire, a majority of the American public is now paying attention to the presidential race and throwing more support to three of the early winners, Michael S. Dukakis, Richard A. Gephardt and Bob Dole, a New York Times-CBS News Poll shows.

The poll of 2,734 adults did not record any national gain for Vice President George Bush, whose lead over Mr. Dole remained substantial at 42 percent to 27 percent. There was little change in the month in which they traded victories in Iowa and New Hampshire.

But the survey, conducted last Wednesday through Sunday, found added strength for Mr. Bush where

he needs it most, in the 15 Southern and border states whose primaries and caucuses will be held early next month. This was one of several measures of regional differences that could have a powerful influence on both parties.

Mr. Dukakis, the governor of Massachusetts and Mr. Gephardt, a congressman from Missouri, did especially well nationally among the most attentive potential Democratic voters. And the telephone survey showed that 57 percent of the entire public said they were paying a lot of attention to the campaign or had talked about it in the previous week, up from 42 percent last month.

But the survey also showed that winning in the early contests was not the only route to political strength. Indeed the Southern and border segment of the poll showed that the "Super Tuesday" collection of primaries on March 8 offers particular opportunities to candidates with a claim of Southern roots.

Besides Mr. Bush, Senator Albert Gore Jr. of Tennessee, the Reverend Jesse L. Jackson and Pat Robertson, the former television evangelist, all drew greater support in the South than in the rest of the United States.

The poll supports Mr. Bush's view of the South as his "fire wall" against the challenge of Mr. Dole, the Senate minority leader. But Mr. Dole, a Kansan who beat Mr. Bush in Iowa and then lost to him in New Hampshire, has closed his gap with Mr. Bush over the last month and is only seven percentage points behind among Republican primary voters outside the South.

This led to a narrowed Bush lead nationally — 42 percent to 27 percent over Mr. Dole as against 41

percent to 22 percent early last month. In this poll, Mr. Robertson had 7 percent of the national total and Representative Jack F. Kemp of New York had 3 percent.

But in the Southern and border states, Mr. Dole made no such surge and Mr. Bush continues to hold a commanding lead of 51 percent to 20 percent among Southerners who say they are likely to vote in Republican primaries or caucuses.

Mr. Robertson also is running stronger there, where 12 percent of Republican primary voters back him, as against 5 percent elsewhere. But nearly half of the Republicans nationwide, and almost as many in the South, said they would not vote for Mr. Robertson in November even if he were the Republican nominee.

The overall regional vote does not relate directly to the delegates picked in each state, and many candidates, including Mr. Dole and Mr. Dukakis, are focusing their efforts in specific states.

In the Democratic race, Mr. Dukakis, the winner in New Hampshire, and Mr. Gephardt, who won Iowa, have both gained substantially across the country since their victories. Mr. Dukakis is the clear leader among Democrats nationwide, with 21 percent. He is followed by Mr. Jackson at 13 percent, Mr. Gephardt at 12 percent and Senator Gary Hart of Colorado at 10 percent and Senator Paul Simon of Illinois at 6 percent.

Funds Sought for Paris Arch

PARIS — Former President Valéry Giscard d'Estaing launched a public appeal Tuesday to raise 10.5 million francs (\$1.8 million) for restoration of the Arc de Triomphe.

AMERICAN TOPICS

Texas Convicts Hear Families Over Radio

"The Prison Program," a weekly radio show in Houston, allows the families of inmates to telephone station KPFT-FM and have their words broadcast to their relatives in nearby prisons, Lisa Belkin reports in The New York Times. The inmates, of course, cannot answer. "They can't exactly run out to the nearest pay phone," said Ray Hill, the show's host, who served four years in prison himself for burglary. The program is probably the only one of its kind in the country, according to Geoffrey Knox of the nonprofit Vera Institute of Justice in New York.

When he was released in 1975 Mr. Hill, who had been in broadcasting before, persuaded KPFT-FM, a National Public Radio station, to allow him to broadcast a program about prison life. At first it consisted mainly of interviews with experts on the prison system. Mail showed that much of the show's audience was behind bars.

One day about four years ago, the phone rang during a break in the program. The caller, with traffic rumbling in the background, said she was on the way to visit her son. But her car had broken down. Her son always listened to the show. Would Mr. Hill please tell him she had tried?

He went one better. He let her tell her son herself. And now dozens of callers hang the lines from 4 P.M. to 5 P.M. each Sunday hoping to do the same.



LIVELY ART — A spectator shakes hands with one of the living paintings at New York's new Museum of Contemporary Art in Manhattan. The "figures" are British performers who hang from the wall of the museum inside framed backgrounds.

available in the Civil War — fight for both sides. Many carry two sets of uniforms, noted Charles Sullivan, a member of Stamford's Mississippi Battery of Vicksburg. This summer is especially busy because two crucial battles overlapped. Gettysburg was fought July 1-3, 1863, and Vicksburg fell July 4.

Nothing that a tomato has now been bred to resist a crop virus. The Washington Post says editorially, "Surely today's tomatoes are the most impressive since the dawn of produce: resilient, disease-resistant, travel-hardy, pesticide-proof and vibrantly healthy." Also, however, they are "scarily inedible. They are pulpy, juiceless and tasteless: sliced, wedged or whole, they're primarily a decorative item to be pushed to the side of the plate." Soon, the Post says, the tomato

may be "improved beyond eating."

A secretary to Donna Frame Tuttle, head of the U.S. Travel and Tourism Administration, was undismayed at finding she was applying to the wrong Traveler magazine for a copy of a recent article on Florida's Key West. Having phoned the National Geographic Society's Traveler magazine, she was informed that the article in question had appeared in a rival magazine called Traveler, published by Conde Nast. In fact, the editor stiffly explained, National Geographic is suing Conde Nast to preserve its rights to the trade name. "But can't you get us a copy anyway?" the Tuttle aide persisted. "Donna needs it by Thursday."

Arthur Higbee

Short Takes

The new Air Force One for the use of the president of the United States will be delivered in November. A second new plane, to serve as a backup, will be delivered in May next year. Both planes are Boeing 747-200B models and will cost taxpayers \$391 million, including a hangar being built at Andrews Air Force base near Washington. Like other new airliners, the planes have a longer range than their Boeing 707 predecessors — about 8,000 miles (13,000 kilometers) compared to 6,500 miles.

So many Civil War battles are being re-enacted this summer on their 125th anniversaries that sponsors are running out of people to re-enact them. But the salesmen, teachers, truck drivers, doctors and lawyers who dress up in blue or gray to camp out and charge through fields in mock warfare have a manpower solution that was usually un-

Swaggart Given 2-Year 'Rehabilitation'

Compiled by Our Staff From Dispatches

WASHINGTON — Church elders have ordered the Reverend Jimmy Swaggart to immediately begin two years of rehabilitation during which his preaching will be limited and he will be in counseling, following the television evangelist's tearful confession before a congregation of more than 6,000 that he had committed sexual sins.

The Louisiana district hierarchy of the Assemblies of God church made the decision Monday night, said the district supervisor, Cecil Janway.

"We accept his confession of specific incidents of a moral failure," Mr. Janway said of Mr. Swaggart. "Based on his detailed confession and the evidence we observed of true humility and repentance, we have offered him rehabilitation."

He added, "Brother Swaggart has submitted to the terms of rehabilitation." The action is subject to approval by the church's national board. The exact nature of the "incidents of moral failure" were unclear.

Mr. Janway said Mr. Swaggart would be prohibited from preaching for at least three months, "except in fulfillment of present commitments involving foreign governments during that period."

He said the evangelist would be counseled and supervised weekly by three members of the Louisiana District Presbytery, and required to submit monthly and quarterly reports to church officials.

"We urge Brother Swaggart and his associates to resist the request of those outside the church to respond to questions," Mr. Janway added.

Mr. Swaggart will be relieved of his duties as co-pastor of the Family Worship Center in Baton Rouge but will be allowed to return to preaching after three months, Mr. Janway said.

The board's action seemed to substantiate the judgment of members of the evangelical community, who said in interviews that Mr. Swaggart's public admission was a shrewd move. By begging forgiveness in a broadcast that was replayed nationwide and seen by church elders, he sought to deflect charges of hypocrisy.

Mr. Swaggart had in recent years condemned other pastors who he said did not adhere to a strict fundamentalist interpretation of the Bible. As late as last year, he was accused by some in his denomination of creating a schism within the Assemblies of God, one of the largest Protestant groupings in the United States.

"Mr. Swaggart has been self-righteous, bigoted and loose-lipped in his condemnation of others in the past," said Michael Cromartie, director of Protestant studies at the Ethics and Public Policy Center, an evangelical think tank. "He will be seen as a total hypocrite, and the only way to avoid that is to handle this tragedy with humility and contrition."

Mr. Swaggart, 52, has often faced criticism for the flamboyance of his ministry.

"He was a natural for it, a real Elmer Gantry type, but no one ever heard anything of a sexual nature about him," said John Maginnis, editor of *Griss* magazine.

Then came news reports of at least one sexual foray, with a prostitute at a New Orleans motel.

Sources said the evidence against Mr. Swaggart, presented to the church last week by a rival evangelist, included Mr. Swaggart's confession that he paid a prostitute to perform pornographic acts and that he had had an obsession with pornography since childhood.

Evangelical officials said the charges against Mr. Swaggart particularly embarrassed the Assemblies of God because the group had been a leader in the recent movement for better enforcement of anti-pornography laws. (W.P. NYT)

Suspensions by Robertson

Pat Robertson, the Republican presidential candidate and former television evangelist, said Tuesday that he thought the timing of the public allegations against Mr. Swaggart had been planned to embarrass Mr. Robertson before the Southern primary elections May 8, The Associated Press reported.

Mr. Robertson said evidence indicating Mr. Swaggart had been involved with prostitutes had lain "dormant since last October."

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A New View on Iran

It is "time to move" to a United Nations arms embargo on Iran that nation keeps rejecting a cease-fire with Iraq, said Secretary of State George Shultz, before heading off to Moscow.

The United States makes a compelling case that Iran has been abusing international patience and refusing to negotiate in good faith. The UN resolution calls not only for a cease-fire and withdrawal to the border (of obvious interest to Iraq) but also for a body to determine responsibility for starting the war (a point of pride and a possible face-saver for Iran).

For years the Soviet Union, attentive to the sensitivities of an important country on its border and perhaps seeing an opportunity to pick up a piece on the geopolitical chessboard, held off from putting pressure on Iran, which had thrown back the Iraqi invasion. But Moscow has come to appreciate the disruptive effects of Iran's Islamic revolution on the whole Gulf region and the potential impact on the Soviet Union's own large Moslem population.

Moscow's Talk of Rights

The new winds keep blowing in the Soviet Union, now in the direction of human rights. Secretary of State George Shultz this week got the Kremlin's word that a big barrier to emigration will soon come down.

For émigrés returning for family visits. The most threatening rights issue may well concern the nationalities. The 15 Soviet republics have more than 100 ethnic groups; many are restless.

There is reason to regard these promises seriously. Soviet citizens are seizing on the new climate. Unofficial clubs and publications are thriving. Nationalist groups proliferate in public; so do people who long for freer emigration.

On nationalities as on all "new thinking," Mr. Gorbachev balances change and control. Independent publications flourish. There may now be 30,000 unofficial clubs. But now and then, a journal gets bashed in the state press.

The promises remain promises, pending official acts of actual change. Human rights talks on Mr. Shultz's first day in Moscow produced a significant promise: to suspend this year the requirement that an emigrant have an immediate relative abroad.

Even if this week's promises materialize, of course, Soviet and U.S. views of human rights will remain starkly different. Dismantling an emigration barrier and holding a nationalities conference will not turn the Soviet Union into a free society.

Wrongdoing at the Top

For the first time this term, the U.S. Supreme Court sat with a full complement of nine justices. And one announcement made by the court means that the newest member, Justice Anthony Kennedy, has arrived just in time for an extremely important case: the court agreed to decide the constitutionality of the Ethics in Government Act, which authorizes the appointment of special prosecutors in cases involving high government officials.

The U.S. Court of Appeals for the District of Columbia has ruled the special prosecutor law unconstitutional, but the question would have gone to the Supreme Court no matter what the finding below had been.

This prompt action is welcome. The special prosecutor law was passed in 1978, but until recently no investigation had produced an indictment. Now, Michael Deaver and Lynn Nofziger have been convicted in prosecutions brought by special prosecutors, and two minor figures in the Iran-contra scandal have entered guilty pleas.

Does the ethics law, as the majority found, depart from the constitutional framework of balance of power in authorizing an independent, court-appointed attorney to prosecute crimes? Or, as the judge in dissent and the majority in Congress believe, is it the only practical mechanism available for dealing with wrongdoing at the highest levels of government? There will be a final answer before summer.

Other Comment

Toward a New Alliance

A [growing] rupture in the consensus on Western military strategy has been accompanied by ever sharper disagreement on the proper stance to adopt toward the Soviet Union. The Cold War and the occupation of Central Europe — not to mention Afghanistan — would be forgotten by those who desperately want to believe that the "changes" taking place in the Soviet Union will lead to a change in the nature of the Soviet regime itself.

And perhaps, through negotiations, to achieve potentially irreversible gains, such as the withdrawal of U.S. tactical nuclear arms or even of a part of the American military contingent, whose presence constitutes the strongest guarantee against "decoupling."

Toward a New Alliance

And perhaps, through negotiations, to achieve potentially irreversible gains, such as the withdrawal of U.S. tactical nuclear arms or even of a part of the American military contingent, whose presence constitutes the strongest guarantee against "decoupling."

But all the West has to do is to reverse the course of events and transform the coming 12 to 18 months from a "window of vulnerability" into a "period of opportunity and redefinition" of the respective roles of Europeans and Americans within the alliance.

Toward a New Alliance

In the meantime, relations with the U.S.S.R. and with Eastern Europe, and questions relating to East-West trade and disarmament, are subjects of open disagreement between the Europeans themselves as well as with the United States.

It is imperative that Europe redefine its security system. It should start with the alliance with the United States, which should be reconstructed not like the protectorate of the past but on the basis of a true alliance, balanced between America and a militarily united Europe.

Toward a New Alliance

The Soviet Union will not fail to take advantage of America's electoral concerns in the coming year to accentuate these tensions.

And nuclear discussion will have to continue to play a central role in the West's system of defense. To do otherwise would be to take a giant step backward toward recreating a system that provoked every war of the past 3,000 years. Only nuclear deterrence can assure the peace.

Toward a New Alliance

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92000 Neuilly-sur-Seine, France. Tel.: (1) 46 37 93 00. Telex: Adverintex, 61359; Ceratex, 61282; Edital, 612716; Prod-Service, 63059R.

Discriminate Deterrence Won't Leave Europe Dangling

By Zbigniew Brzezinski, Henry A. Kissinger, Fred C. Iklé and Albert Wohlstetter

LOS ANGELES — On the eve of the NATO summit meeting in Brussels, three issues dominate the debate: the meaning of nuclear guarantees, the role of conventional forces, and the sharing of risks among allies.

It is encouraged by the habit of equating any use of "strategic" forces with assuring mutual destruction. As a result, the call for strengthening the deterrent by making the West's response to aggression in Europe clearly discriminate is misconstrued to mean that the commission would exclude any use of strategic forces.

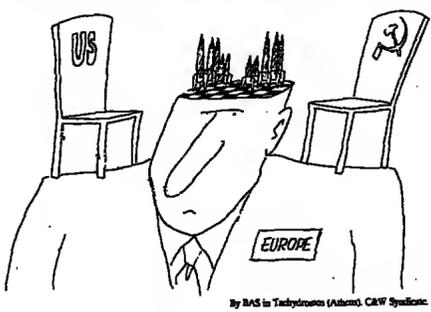
Another habit of thought that encourages misinterpretation is the focus on a single contingency. When Europeans contemplate a Soviet attack on all of Europe or all of the North Atlantic Treaty Organization (not just on the center or on a weakly defended flank), they need not think about the essential community of risk evoked in Article V of the NATO treaty — that an attack on one is an attack on all.

It is encouraged by the habit of equating any use of "strategic" forces with assuring mutual destruction. As a result, the call for strengthening the deterrent by making the West's response to aggression in Europe clearly discriminate is misconstrued to mean that the commission would exclude any use of strategic forces.

the least harm to Turkey or Norway and without inevitably spreading devastation to all of Europe from North Cape to Eastern Turkey.

The second concern misreads the report as saying that NATO could halt a conventional invasion of Europe without using nuclear weapons. The report in fact says that analyses purporting to show that the alliance now has that capability are dubious. But Messrs. Howard, Kaiser and de Rose hold that such a defense will never be possible for NATO and would be unacceptable if it were.

The authors seem to imply that as possible improvements could enable NATO to stop any Soviet invasion anywhere in Europe without NATO's using nuclear weapons; and that if NATO did NATO could not deter the Soviet use of nuclear weapons. NATO's situation would then be hopeless. But we reject this proposition.



By BAS in Tachkent (Athens). CWK Studio.

Soviet 'Psychiatry': Torturing Millions of Innocents

By Sergei Grigoryants. The writer is chief editor of the journal Glasnost.

MOSCOW — In Magadan, on the shore of the Okhotsk Sea, Valentina Bondarenko's husband, a police sergeant, took to drinking and went on drinking bouts with his police chief. In time, he stopped spending nights at home.

opened and quickly closed with a bang. Mr. Ayrapetyan found himself in a psychiatric clinic. It is much easier to put people away in a psychiatric hospital than in prison. Any policeman, nurse, deputy general procurator or journalist in the waiting room of Kosomolskaya Pravda can do it.

Internal Affairs and the KGB. Some people are starting to be freed from them. Some are being taken off the psychiatric register; to be on it means a healthy person to be placed in a psychiatric prison at any time and to be deprived of all rights.

Nearly five million people are listed on the psychiatric register.

the next two years, the authorities intend to take up to two million of them off the register. That means that they were and have remained healthy, notwithstanding all the torture.

Nearly five million people are listed on the psychiatric register.

But it is not at all rare that people who end up in psychiatric hospitals do fall seriously ill. Carrying out the will of their client, the doctor-jailers treat virtually all healthy people with forced magnesium sulfate injections, without any anesthetics. Sometimes they give five or six shots at a time.

Nearly five million people are listed on the psychiatric register.

Without social control over psychiatric hospitals, without the help of international medical organizations, it is impossible to stop the torture of millions of people who are guilty of nothing.

Time Has Come to Trade Unsold Food for Unsold Oil

By Eliot Janeway

NEW YORK — Pushed by worldwide overproduction, oil prices are sinking again. The latest sag of \$2 a barrel, to under \$17 a barrel, can be expected to inspire economists of all persuasions to hail another stunning victory over inflation.

been based on oil at \$18 a barrel. Under \$15, collateral values on the mountain of oil debt are wiped out; certainly, financing of new production requiring just \$20 a barrel oil to break even is unthinkable.

deflation through the real estate market. Houston will no longer be alone. When oil inflation was raging, the 10 largest banks in Texas had more than 40 percent of their loans tied up in oil.

Preachers Hold Key to the Presidency

By Haynes Johnson

WASHINGTON — Pat Robertson does not want to be called a preacher anymore and, somewhere along the way, Jesse Jackson seems to have lost his formal ministerial designation. He is just plain Jesse, wherever he goes.

responded to those who offered a moral message. But they have guarded against the emotion by erecting constitutional barriers between church and state.

Although U.S. politicians have always invoked God's name and claimed to understand divine will, U.S. voters have never supported a minister for the presidency. Of the 39 presidents, 24 were lawyers and six were generals.

100, 75 AND 50 YEARS AGO

1888: Fear on Tug Fork. PIKEVILLE, Kentucky — Night and day there goes up from all this country a cry that Governor Wilson, of West Virginia, is a pollroom and a coward, that he allows organized murderers to hold the border between the two states because he does not dare to do his duty.

1913: Madero Is Killed. NEW YORK — Senor Francisco Madero, the deposed Mexican President, and Senor Pino Suarez, former Vice President, were shot and killed [on Feb. 22] by General Victor-

iano Huerta's men. According to statement by the Government, Senors Madero and Suarez were being removed from the National Palace, the penitentiary in heavily guarded automobiles, when a large force of Maderists attempted to stop the machines and overpower the guards.

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OPINION

Kurt Waldheim Will Belong To Austria for a Long Time

By A. M. Rosenthal

NEW YORK — Millions of Austrians wanted Kurt Waldheim for president. They knew what he was and they elected him. Austrians who voted for him, knowing, should stick with him. In his presidential palace in Vienna, Kurt Waldheim is a fine reminder to his supporters of the Nazi era, which Austria supported with such glee and profit.

ON MY MIND

might be a relief to fling it away, scratch and once more proclaim Austria the victim of Nazism. All who voted for him could put it down as an unfortunate episode blown up by the Jews.

But they got what they wanted in Mr. Waldheim. It would surpass even the Viennese record of hypocrisy for his supporters to turn against him now. For the rest of us, it does no great harm to witness the reminder of Austrian loyalty to the days when garbage was thrown on Vienna's streets so that the Jews could scrub them, on hands and knees.

Waldheim Doesn't Answer
THE conclusions of the report on Kurt Waldheim's wartime past have severely damaged his credibility. The revelations are all the more disturbing for coming on the 50th anniversary of the Anschluss to Nazi Germany, at a time when Austrians are asking why the Anschluss took place. It is regrettable that Austria's president can be of no help in answering those questions. Only Mr. Waldheim can decide what conclusions he should draw from the commission's report.



We Know They Can Talk; Can They Write?

By Ladd Hamilton

LEWISTON, Idaho — All of the candidates in pursuit of the Democratic and Republican Party nominations have this in common: Each has so far concealed from the voters the one thing many of us need in order to choose wisely. Not one of these men has shown us a solid example of his writing, untouched by editors or image-makers.

I want to know how Pat Robertson's mind works when he puts thoughts on paper. I want to know what a Richard Gephardt sentence and a Michael Dukakis sentence looks like. Judging by his resume, I would guess that George Bush writes like a bureaucrat, and I would like to be proved wrong.

What difference does it make whether Bob Dole or Paul Simon write in the active or passive voice? Whether Albert Gore Jr. or the Reverend Jesse Jackson are willing to split an infinitive? It is the difference between knowing and not knowing how the candidate thinks.

Much of the early support of Adlai E. Stevenson's candidacy in 1952 came from people familiar with his prose, which reflected a sharp and vigorous mind. I became a Stevenson Democrat after reading one of the veto messages he wrote as governor of Illinois — one in which he argued that as long as birds had the right to eat worms, cats should have the right to chase birds. The governor's argument was not only well re-

asoned and good-humored, it was clearly stated, in plain and robust English, and in his own words.

That is what many of us yearn to have from today's candidates: a writing sample of their own words.

In almost eight years of the Reagan presidency, I doubt that we have had a single paragraph from the Great Communicator's own hand, untouched and uninfused by aides. The throw-away comments he tosses off between the Oval Office and the helicopter pad do not count. Neither do his answers at news conferences. No public official should be judged by the way he uses the language of the cuff.

But any sitting president, as well as any candidate, can be fairly judged by the way he expresses his ideas in thoughtful prose written in solitude.

It does not much matter to me whether Gary Hart plays around or what Jack Kemp thinks about Social Security. It does matter whether either of them can reason well, and it has been my experience in 40 years of writing and editing that it takes a disciplined mind to produce a page of clear and forthright

prose. I will vote for the candidate who can show me that sort of mind.

If these men want to reach the voters, they can do it best by scrapping the stump speeches for a moment and simply writing to us. Is that an outrageous request? Let each one of them tell us in a couple of pages how he would use the presidency to advance the welfare of the American people and certify that the words and phrasing are his alone.

Then the voters will have some means of looking into each candidate's head. And they may be surprised how useful a guide this can be. Do his sentences follow one another in a logical order? Does he write in words of one syllable — the spare, plain Anglo-Saxon words — or in their Greek and Latin equivalents? Has he organized his thoughts? Is his prose mushy and ambiguous or clear and muscular? Does his letter to the people bear a slogan or an original thinker?

Once the president is elected, we expect him to depend on others to write his speeches. But just once, and the sooner the better, the voters deserve this much: a close and penetrating look at each candidate's view of himself and his mission, in words that are entirely his own.

MEANWHILE

The writer is former senior editor of The Lewiston Morning Tribune, in Lewiston, Idaho. He contributed this comment to The New York Times.

For an American Jew, Israeli Policy Is Heart-Rending

I am an American Jew, completing six weeks of travel in the Middle East. I have always prayed for Israel's success and well-being. My mother's family was forced from Syria over 60 years ago. I have never had any deep sympathy for the Arab people. Until now.

Israel thinks it is protecting its culture. But in its silent defensiveness, it tears apart Jewish hearts. I cannot read the newspaper without a profound sense of guilt and remorse. Israeli leaders make it impossible for us to be proud and stand behind the country.

Israel is more than a political state that struggles for survival. The country exists as a symbol of hope for all the world's Jews. This is a hope in our own future and the idea that we can be examples and teachers to others.

My prayer is that Israel will rise above violence. Power is not in guns or numbers, but in the feelings of each of us.

The Israelis are answering others' calls for freedom with beatings of children. Would you beat and kill your own child for refusing to obey? For attacking you and your way of thinking? You would find a solution. Israel must.

MARK FRIEDBERG, New York.

LETTERS TO THE EDITOR

open dissent demonstrates the ethic of the Israeli people, however inept individuals may or may not have been.

M.B.C. DOV, Brussels.

I am a 15-year-old Palestinian-American and I am especially horrified by the recent troubles on the West Bank and in the Gaza Strip. After seeing Palestinian teen-agers lying dead as a result of beatings, I realize that by a small twist of fate it could have been me throwing the stones and receiving the fatal blows.

A "just and lasting peace" must be found before the gap between Palestinians and Israelis grows too wide. Such a peace cannot be achieved without the wholehearted support of the United States. The Reagan administration must forget that this year is an election year and use its considerable influence to save two peoples from oblivion.

RAMEZ S. TOUBASSY, London.

The repulsive grinning Yasser Arafat in the Auth cartoon of Feb. 8 projects a U.S. view that the PLO is "evil." But if the PLO and Mr. Arafat are evil, then so are the 90 percent of the Palestinians who support the organization and its leader. But this idea is uncomfortable, so an attempt is made to accept the Israeli line that the PLO does not really speak for the Palestinians.

Germany in 1942 doubtless would have preferred the world to believe that members of the French Resistance were terrorists and that Charles de Gaulle did not speak for the French people.

Is it not time for the U.S. press to take an objective view of the PLO and not mirror the Israeli line?

WARREN R. DIX, Athens.

Freedom for Smokers, Too

Regarding "Beware of This Compulsion to Make Us All Be Healthy" (Meanwhile, Feb. 18) by Barry Glassner:

Thank heavens that a voice has finally been heard in defense of smokers' rights. Perhaps there is still a chance that someday, once again, America will have the right to call itself a free country.

GENEVIEVE BENNETT, Le Cannet, France.

The most compelling reason to implement nonsmoking regulations in public places is that the habit physically annoys and irritates nonsmokers. Why must nonsmokers be forced to inhale the smoke of their neighbors? The enclosed areas on buses, trains and airplanes necessitate that passengers share the same air — and smoke. The taste of an expensive meal is marred by a cigarette smoked by the diner at the next table.

To avoid an Orwellian society, I suggest that smokers should retain all rights

to indulge in their "relaxing habit" in the privacy of their homes.

JANET MUTSCH, London.

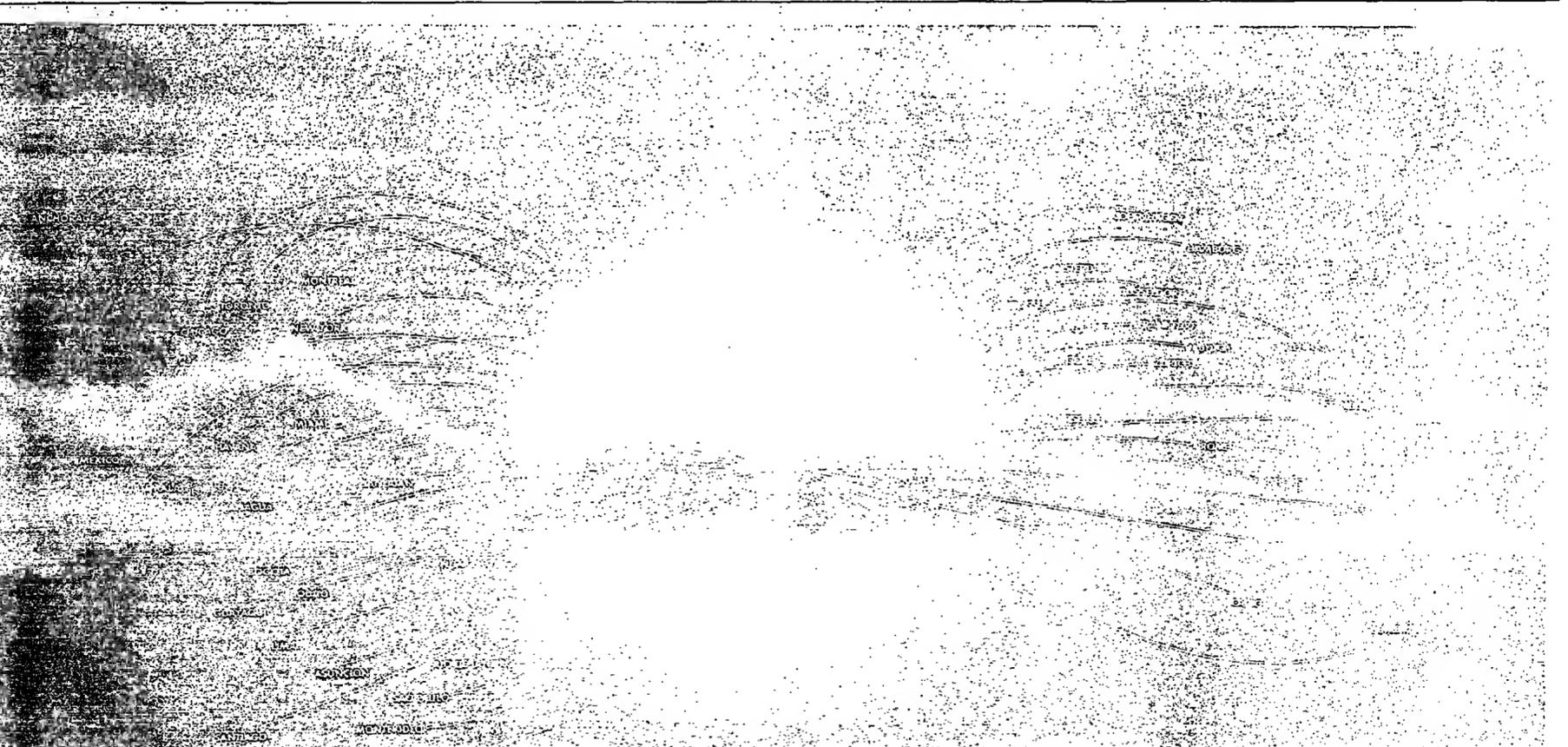
New Hampshire Horrors

Henry Allen practices rather vicious journalism (Opinion, Feb. 12 and 13). Instead of discussing intelligent alternatives to the caucus and primary circus, such as regional primaries or a national primary, he launches an ugly campaign against New Hampshire residents for such horrors as having messy yards, selling maple syrup, owning wood-burning stoves and exporting Yankee magazine.

It is precisely because New Hampshire is such a small, sparsely populated state with no "labor kingmakers" and "oo powerful bishop or veterans' lobby or television complaint" (more of Mr. Allen's claims) that its primary is anybody's contest to win, or lose.

JOSEPH SMALL, Paris.

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Dutch Fearful of Losing Knack for Languages

Report Says a 99% Focus on English May Endanger Export-Led Economy

By Ronald van de Krol
Special to the Herald Tribune

THE HAGUE — The Dutch, once regarded as the linguistic wizards of Europe, are in danger of throwing away their lead in foreign language skills and putting the success of the country's export-led economy at risk, according to leading Dutch business organizations.

They warn that the Dutch are focusing too heavily on learning English and badly neglecting other languages, particularly Romance languages such as French, Spanish and Italian, and are shutting themselves out of important overseas markets.

"We once had a big lead over the rest of Europe because our work force spoke good French and German as well as good English, but that advantage is getting smaller all the time," said Rogier Chorus, director of international relations at the Christian Federation of Employers.

other nationality on the continent" and adds that most of the Dutch speak German and many French.

Nevertheless, the report of the business organizations calls for a major improvement in language skills, arguing that a good grasp of languages will be more important than ever when the European Community dismantles all internal barriers to create a single economic market in 1992.

Why and when did the linguistic supremacy of Dutch business start to come under threat? The report, which was compiled by business officials, educators and translators, attributes the change to renewed efforts by such competitor countries as West Germany and France to promote foreign languages and to changes in the Dutch educational system itself.

Until 1968, all Dutch high school students were required to pass examinations in Dutch, English, French and German before they could graduate. In 1968, the language exam requirement was lowered to only one foreign language.

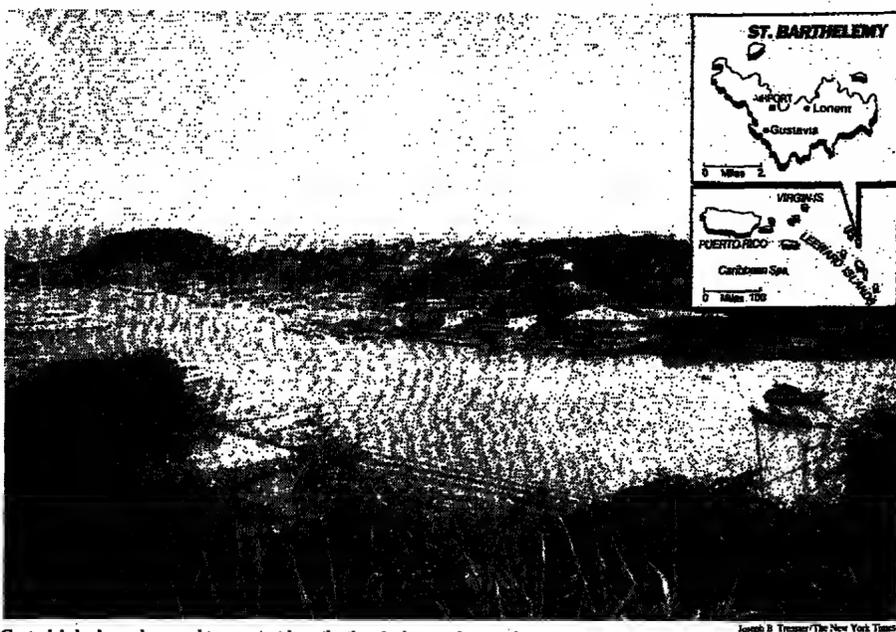
Now, 20 years later, 99 percent of high school graduates choose English as their mandatory foreign language. Many students still elect to be tested in a second or even a third foreign language, but over all, only 30 percent of Dutch youths take the French examination and only 55 percent the German exam.

"The study of foreign languages other than English has dropped dramatically compared with the days when all students were examined in French, German and English as a matter of course," said Adrie Keij, secretary of the Foundation for the Promotion of the German Language.

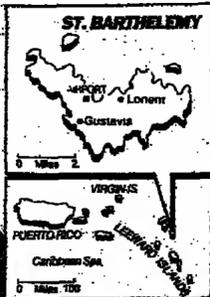
"No one would deny that English has become the dominant world language," he said, "but within Europe you can't hope to do business with a firm in a small town in France or Germany without being able to speak their language."

In their most important recommendation, the two business organizations called for Dutch children to be taught a minimum of two foreign languages, including one Romance language, to examination level.

A common argument against adding another language requirement to the curriculum is that it will take time away from the technical subjects needed to get a job in industry. As one businessman put it, the Japanese managed to export to the world without a great proficiency in foreign languages.



Gustavia's harbor, where yachtsmen start investigating the luxury shops and restaurants.



Joseph B. Treaster/The New York Times

Wall Street Hurts a Caribbean Paradise

By Joseph B. Treaster
New York Times Service

GUSTAVIA, Saint-Barthelemy — A lot of Americans with deep pockets think of this tiny French island as paradise. It is uncommonly neat and tidy. The hotels are small and quietly elegant. The food is exquisite and everywhere the eye turns there is natural beauty.

The island, which is better known to English-speaking visitors as Saint Barts, is also one of the most expensive vacation places in the Caribbean.

Saint Barts is not the kind of place where residents hover over stock market tickers. But this tourist season they all know that something terrible has happened on Wall Street and that the dollar is anemic. They know this from watching their cash registers.

The hotel trade, according to Marc Lizepe, the president of the hotel association, is off 20 percent. Charles Magras, the head of the merchants' association, said sales in the tourist shops that deal in luxury goods were down 50 percent. Many of the island's restaurants, which some compare favorably with first-rate establishments in New York and Paris, are doing as poorly, Mr. Magras said.

Tourism throughout the Caribbean appears to have eased off after last year's record growth of

about 9 percent, officials at the Caribbean Tourism Research and Development Center in Barbados said, at least partly from the ripple effect of the Wall Street plunge.

But the dollar's weakness has been more a factor on Saint Barts than on most other islands. The currency in most of the Caribbean is pegged to the dollar. But as a part of the French overseas department of Guadeloupe, Saint Barts, which lies about 185 miles (about 298 kilometers) southeast of Puerto Rico, does business in francs. The franc has nearly doubled in value against the dollar in the last two years. So for Americans, who make up nearly 90 percent of the island's clientele — Saint Barts, which was already in the exclusive category, has become almost twice as expensive.

In winter, the high tourist season, hotel rooms at \$200 and \$300 a night are not unusual in several of the higher-priced Caribbean islands. Suites at \$900 are not unheard of. But there are few rivals for the Saint Barts restaurants, where dinner for two can easily run \$150. A lemonade in an open-air cafe goes for \$5. And Mr. Magras said a T-shirt that might sell for \$10 elsewhere costs \$25 on Saint Barts. Most people also rent a jeep-like mini-car that adds \$40 or \$50 more to daily costs.

Looking at the island's tourist

statistics and watching the American bankers, lawyers and doctors meandering through the narrow streets of Gustavia in baggy khakis and knit sport shirts, you would not think things were so bad. The figures show a slight decline in visitors in November, the month after the stock market's dive, an increase of about 2 percent in December and a drop of 4.5 percent in January.

Nevertheless, everyone says money is not flowing the way it used to. The downturn is particularly unsettling after a decade of almost uninterrupted growth and several years during which hotel occupancy was about 80 percent.

Mayor Daniel Blanchard said some of the slack may have resulted from the addition of about 100 hotel rooms in the last year.

The ebb in the commercial tide has reopened an old debate on what Saint Barts ought to be. The island, which covers 9.8 square

miles, a little less than half the size of Manhattan, was settled by Normans and Bretons more than 300 years ago and is one of the few places in the Caribbean with an almost entirely white population.

For about 100 years the island was controlled by Sweden. The Swedes decreed that residents would pay no taxes and that is still the case, although a few years ago the French government tried to impose an income tax and the island still has lawyers on retainer in Paris and Stockholm. There is no poverty and little unemployment.

Mr. Blanchard does not want swarms of visitors on Saint Barts. "We have to make a selection," he said, "and price is a technique for selection."

"Saint Barts is a very expensive place," the mayor said. "But a lot of tourists come to see me and say: 'Mayor, you do what you have to do to keep the island like it is.'"

Czech Journalists Cite Glasnost in an Effort To Register New Paper

By John Tagliabue
New York Times Service

PRAGUE — Citing precedents in the Soviet Union, a group of Czechoslovak journalists is negotiating with the government to register an independent newspaper.

The exercise, whose outcome is far from certain, is a measure of how much the Soviet Union is being looked to as a force for widening freedom in Czechoslovakia, a severely restricted society.

The independent newspaper, Lidove Noviny, or People's News, already has appeared in two regular monthly editions since Jan. 1. Its pages have featured unexpurgated political, cultural, economic and foreign news, including articles on U.S.-Soviet disarmament, reports on Afghanistan and Poland, theater and film reviews and a calendar of events 20 years ago.

"Now we are seeking to have the newspaper registered," said Jiri Ruml, the paper's editor.

The newspaper is a product of the thinking of journalists who enjoyed freedom to work during the intellectual blossoming of the "Prague Spring" of 1968, but were barred after the Soviet-led invasion that August.

Mr. Ruml was deputy editor of one of the liveliest publications of the period, the weekly news magazine Reporter.

The effort is draped in ironies. When Arvo Valtonen, the president of the Union of Estonian Writers in the Soviet Union, was interviewed for the first edition, the Czechoslovak police sought to block the meeting. "He discussed with them and became angry," a contributor to the newspaper said. "He said he published in Pravda. We had to calm him."

Although recent changes instituted by the Soviet leader, Mikhail S. Gorbachev, have done little to open intellectual and artistic life, Moscow has permitted a degree of independent journalism, as in the newspaper Glasnost, and the Polish government has allowed Roman Catholic intellectuals to publish an independent monthly journal of ideas.

"We spoke about the situation in

Moscow," Mr. Ruml said of the talks he is conducting for the nine-member editorial board with the Federal Office for Printing and Information.

He quoted government lawyers as saying that a major obstacle was a legal requirement that only organizations belonging to the National Front, the Communist-dominated alliance that includes labor unions and other social organizations, may publish newspapers.

But the editorial board, citing the example of Pacem in Terris, an association of Catholic priests friendly to the government that is not part of the National Front, proposed formation of a "society of friends of Lidove Noviny" to sponsor the newspaper. "They said to us, 'Try this as an experiment,'" Mr. Ruml said.

The experiment is particularly intriguing because Prague once enjoyed some of the most brilliant journalism in Central Europe, in both the Czech and German languages. This, however, gave way to a drab uniformity under Communist dominance.

The name Lidove Noviny was taken from a Prague newspaper that was banned in 1948.

Mr. Ruml said the idea now was to increase the frequency of publication gradually from monthly to daily, and to augment the present circulation of only several thousand copies.

Jiri Dienstbier, a banned journalist who spent three years in prison for publishing his anti-government views and sat on the editorial board, said: "I am 51. We are the last people who in their 20s and 30s worked on uncensored newspapers. We are completely without a middle generation. The problem is how to teach a new generation."

Ferry That Sank In the Philippines Carried 3,000

By John Tagliabue
New York Times Service

MANILA — The Philippine National Bureau of Investigation says more than 3,000 ferry passengers, double the number listed on the ship's manifest, were on board the vessel that sank in December in the world's worst peacetime sea disaster.

A bureau official, Gordon Uj, said in congressional hearings Monday that interviews with relatives indicated that at least 3,000 passengers were on the ferry Dona Paz, along with 59 crew members. Officials in the Philippine port of Tacloban had put the figure at 3,601, Mr. Uj said. Some other estimates surpassed 4,000.

Only 26 survived the night collision between the Manila-bound ferry loaded with Christmas travelers and the oil-tanker Vector. Both ships sank.

Relatives of the Dona Paz survivors filed a nine billion peso (\$469 million) lawsuit on Monday against the shipowners, Sulpicio Lines, accusing the company of negligence. Sulpicio officials say the tanker was responsible for the collision.

Relatives of the Dona Paz survivors filed a nine billion peso (\$469 million) lawsuit on Monday against the shipowners, Sulpicio Lines, accusing the company of negligence. Sulpicio officials say the tanker was responsible for the collision.

Seoul Leaders Advised to Apologize And Indemnify Kwangju Victims

By Clyde Haberman
New York Times Service

SEOUL — A special government committee said on Tuesday that, in the name of national harmony, South Korea's new leadership should apologize and pay compensation to survivors of the 1980 massacre in Kwangju.

The panel, noting that eight years have passed since the incident, urged that the government act now to "restore the honor of the citizens of Kwangju." Officially named the Committee for the Promotion of Democracy and National Reconciliation, it also said that the government should stop describing the street protests that led to the killings as a rebellion, and should characterize them instead as part of a pro-democratic movement.

The recommendation was the first significant measure taken by an official body to heal still-fester wounds left by the Kwangju episode, in which troops gunned down unarmed civilians protesting a coup led by President Chun Doo Hwan, who was then a general.

By official count, nearly 200 people died, but Kwangju residents insist that a coverup has hidden the true death toll, which many of them put at 2,000.

The massacre was a pivotal event for South Korea. Because of Kwangju, many Koreans — arguably, most — have never accepted the political legitimacy of Mr. Chun, whose term of office expires

Wednesday at midnight. He will go away then to Roh Tae Woo, a fellow former general who helped him to grab power and who now takes office himself as South Korea's first freely elected president in 17 years.

Mr. Roh, accepting the committee's report, pledged to "abide by its spirit," but he did not say specifically what action he would take, or when.

In another important political development, the two main opposition leaders, Kim Young Sam and Kim Dae Jung, met Tuesday for the first time since before the presidential election on Dec. 16. It was the first time since before a ruinous falling-out in the fall, when they both insisted on running for president and thereby split the anti-government camp, allowing Mr. Roh to win with only 36.6 percent of the vote.

Opposition politicians worry that unless the Kims can patch up their differences, they will face another disaster in National Assembly elections expected in April. It is unclear, though, whether the two men can overcome serious personal and philosophical divisions in time.

In an attempt to encourage unity, Kim Young Sam gave up his party's presidency two weeks ago, although he clearly remains its dominant force. He agreed to the other Kim's formula for a pre-election reapportionment of the National Assembly. But thus far Kim Dae Jung has resisted pressure that he similarly step aside, saying he

will do so only after the rival opposition parties are merged.

Mr. Chun's departure after eight years of authoritarian rule is a historic moment for Seoul. Never before has a South Korean leader voluntarily stepped aside, and he presents his action as being, of itself, a critical step in the country's democratic development.

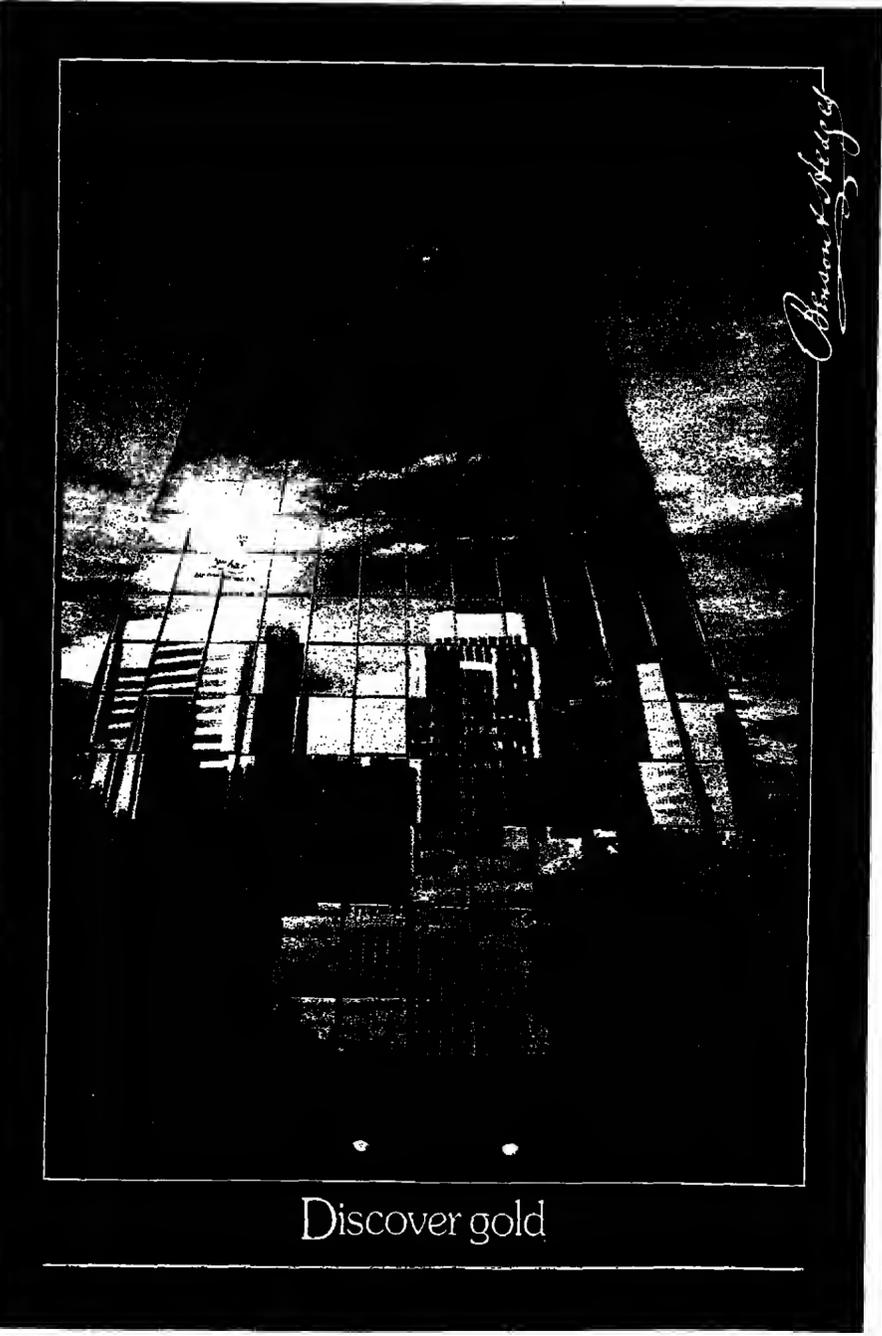
"From the beginning, I was convinced that democracy would flourish in Korea if only the stipulation for a single-term presidency was complied with," he told South Korean reporters.

His successor, Mr. Roh, appointed the 56-member reconciliation committee after his election, and instructed it to suggest ways not only to deal with Kwangju but also to promote democratic change in general.

Speaking in broad outline, the panel urged the new president, among other measures, to restrict domestic surveillance by intelligence agencies and to guarantee press freedom and an independent judiciary.

But its most striking conclusions involved Kwangju.

Although it called for an official apology, the committee rejected long-standing opposition demands for a new investigation into the incident, calling it fruitless and potentially divisive. Nevertheless, its own inquiry involved days of public hearings, highlighted by often-emotional testimony from people who had been swept up in the 1980



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SPORTS / 1988 WINTER OLYMPICS

Rötsch Sweeps Biathlon Events With 2d Victory

Compiled by Our Staff From Dispatches
CALGARY, Alberta — Frank-Peter Rötsch of East Germany became the first man to sweep the individual Olympic biathlon events when he won the 10-kilometer race on Tuesday.

Rötsch, a 23-year-old East German policeman, had won the 20-kilometer title on Saturday. That distance was added to the Olympic program in 1960.

Valeri Medvedtsev of the Soviet Union, second to Rötsch in the 20-kilometer event, again was the silver medalist, and Sergei Tchepikov, also of the Soviet Union, took the bronze.

Both Soviets shot clean on the two shooting stations at Canmore Nordic Center while Rötsch had one miss. The miss meant that Rötsch had to ski a 150-meter penalty loop, but his superior skiing ability allowed him to beat Medvedtsev by 15.6 seconds in 25 minutes, 8.1 seconds.

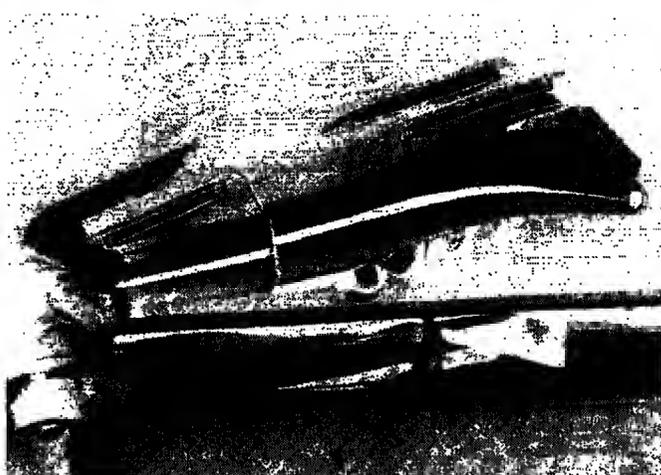
Medvedtsev was clocked at 25:23.7 and Tchepikov at 25:29.4. Fifty-five finishers broke the Olympic record of 30:53.8, set by Erik Kvalfoss of Norway in 1984.

Kvalfoss of Norway, the defending Olympic champion, had a bad day, placing 19th among 72 finishers. A year ago at Lake Placid, New York, Rötsch became the first biathlete ever to sweep three gold medals in the World Championships. He will try to duplicate that feat in the Olympics on Friday in the 30-kilometer relay.

For the first time since the opening ceremonies 10 days earlier, every outdoor event was held as planned on Tuesday. After a week in which strong winds blew constantly in and around Calgary, Tuesday dawned clear and calm.

In the Nordic combined team event, Hubert Schwarz had two almost perfect jumps to help West Germany take the lead after the ski jumping portion.

Schwarz had jumps of 288 feet, 4 inches and 292 feet, (88 and 89 meters), which combined with excellent style marks, gave him 227.2 out of a possible 240 points.



A spectator at left photographs Japan's bobsled in the two-man event as it shoots down the course on its side. The sled tipped over during Monday's competition — won by the Soviet team — and stopped short of the finish line. The team members, Takao Sakai and Naomi Katewaki, were not injured.

all the problems that plagued the event Saturday and Sunday.

Unlike Saturday, when speeds decreased during the day as the ice turned to rutted slush, speeds increased later Monday as the course ice over in the late afternoon.

The final two runs were originally scheduled for Sunday but were postponed when high winds covered the track with dirt, reducing speeds and making competition unsafe.

Cold, biting winds of up to 35 mph (56 kph) on Monday forced the second delay of the 90-meter ski jump. Matti Nykanen of Finland, who won at 70 meters, had to wait until Tuesday to try to become the Winter Games' first double jumping gold medalist.

The 90-meter was originally scheduled for Saturday, postponed until Monday and then again delayed. But as the weather cleared on Tuesday, hopes rose that the 90-meter could finally be made up.

Rob McCormack, chief of competition for the event, called the waiting "psychological torture," and Torbjørn Yggseth of Norway, an international jumping official, said it was "mental cruelty."

Since the Games began Feb. 13, bad weather, mainly high winds, has delayed competition in men's and women's downhill events and

women's luge, as well as in bobsleds and ski jumping.

In hockey, the last two games of the preliminary round were played on Monday, with Switzerland trouncing France, 9-0, and Canada and Sweden playing to a 2-2 draw.

Earlier in the day, Finland became the sixth and last team to enter the medal round with a 5-1 victory over Poland. It joined the Soviet Union, Canada, Sweden, Czechoslovakia and West Germany.

Canada learned that it must open the hockey medal round against the Soviet Union, the only unbeaten team. In Wednesday's other opening medal round games, Sweden will meet Czechoslovakia and Finland will play West Germany.

In ice dancing, the three-time world champions Natalia Bestemianova and Andrei Boukine of the Soviet Union had the lead entering Tuesday's final free-skate competition after Monday's original set pattern portion.

Winners of the compulsories as well, the Soviet couple is heavily favored to win the gold.

Marina Klimova and Sergei Ponomarenko, also of the Soviet Union, were second, and Canada's Tracy Wilson and Robert McCall were third.

Bestemianova, 28, and Boukine, 30, got seventeen 5.9s and a perfect 6.0 for their tango presentation with their routine that combined drama, sensuality and precision skating. (AP, UPI)

Blair, U.S. Speed Skater, Sets Record, Wins Gold

By Thomas Boswell
Washington Post Service

CALGARY, Alberta — On the victory stand, Bonnie Blair, nose red and tears streaming down her narrow face, looked like a small bird perched between two hawks. However, sometimes a small bird, even one who shakes in her moment of triumph, can fly swift.

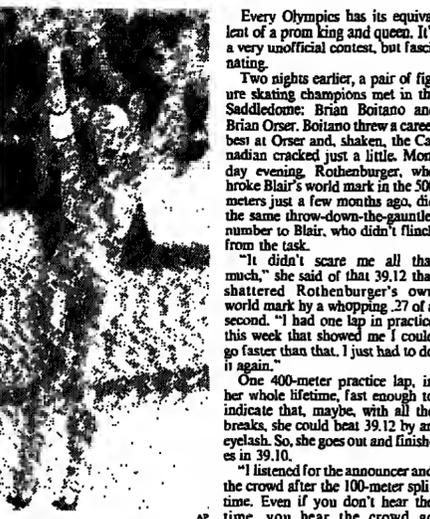
Blair, a 5-foot-3 (1.6-meter) mite, gave the United States only its second gold medal of the XV Winter Olympics on Monday night, winning the women's 500-meter speed skating. She took the starting line shortly after favored Christa Rothemburger, the world and defending Olympic champion from East Germany, had set the world record at 39.12 seconds, breaking her own previous mark of 39.39.

Blair, 23, of Champaign, Illinois, bettered Rothemburger's time at every interval and strode to the gold by two-hundredths of a second, in 39:10. Rothemburger won the silver, and Karin Kanis, also of East Germany, won the bronze in 39.24.

How much is two one-hundredths of a second? One small birdlike heart beat, perhaps? In sports, such increments are not measures of time, but of fighting spirit.

Or, perhaps, they believe such things because experience tells them that's where the truth lies. "I think I just got it on guts," Blair told Eric Heiden, the Olympic speed-skating champion, after the race.

Even Rothemburger, Blair's rival for the past three years at 500 meters, said, graciously, "I skated first. I set a world record. Bonnie



Bonnie Blair

skated after. She took the challenge."

Blair's gold was the first for an American woman in Olympic speed skating since 1976, when Sheila Young won the same event. If America's arms do not go out to embrace Bonnie Blair for the rest of the Olympics, then we deserve a culture of cosmetics commercials.

Every Olympics has its equivalent of a prom king and queen. It's a very unofficial contest, but fascinating.

Two nights earlier, a pair of figure skating champions met in the Saddle Dome: Brian Boitano and Brian Orser. Boitano threw a career best at Orser and, shaken, the Canadian cracked just a little. Monday evening, Rothemburger, who broke Blair's world mark in the 500 meters just a few months ago, did the same throw-down-the-gauntlet number to Blair, who didn't flinch from the task.

"I didn't scare me all that much," she said of that 39.12 that shattered Rothemburger's own world mark by a whopping .27 of a second. "I had one lap in practice this week that showed me I could go faster than that. I just had to do it again."

One 400-meter practice lap, in her whole lifetime, fast enough to indicate that, maybe, with all the breaks, she could beat 39.12 by an eyelash. So, she goes out and finishes in 39.10.

"I listened for the announcer and the crowd after the 100-meter split time. Even if you don't hear the time, you hear the crowd go 'Ahhhh, if you're ahead,' Blair said. She was — by .02. "That gave me the little extra oomph. When I opened up faster than her, I almost thought I had it then...."

"The rest of the race was perfect. When I saw the time, it just brought tears to my eyes right away.... As I crossed the finish line, I thought that was the happiest moment of my life. When they played the national anthem, I think that was the second happiest."

OLYMPIC RESULTS

Table with columns: MEDALS, G, S, B, Total. Lists medalists for various events like Biathlon, Nordic Combined, etc.

Table with columns: FIGURE SKATING, G, S, B, Total. Lists medalists for Ice Dancing and Original Set Patterns.

Table with columns: BOBSLED, G, S, B, Total. Lists medalists for Two-Man Bobsled.

BIATHLON

Table with columns: MEN'S 10-KILOMETER, G, S, B, Total. Lists medalists for various biathlon events.

ICE DANCING

Table with columns: G, S, B, Total. Lists medalists for Ice Dancing events.

TWO-MAN BOBSLED

Table with columns: G, S, B, Total. Lists medalists for Two-Man Bobsled events.

NORDIC COMBINED

Table with columns: G, S, B, Total. Lists medalists for Nordic Combined events.

WOMEN'S 500-METER

Table with columns: G, S, B, Total. Lists medalists for Women's 500-Meter speed skating.

HOCKEY

Table with columns: Pool A, Pool B. Lists hockey results for various teams.

WEDNESDAY'S EVENTS

Table with columns: Women's 500 Meters, Short-Track Speed Skating. Lists events and medalists for Wednesday.

Austrians Making a Strong Comeback in Skiing

By Peter Alfano
New York Times Service

MOUNT ALLAN, Alberta — The critics back home should be placated now. In a sport in which rivalries are fueled by nationalism, the Austrian skiers had fallen into disfavor as the neighboring Swiss had become all the rage of the Alpine set in the past two World Cup seasons.

While the Swiss collected medals, the Austrians lived on memories of Franz Klammer's almost death-defying downhill run for the gold in the 1976 Winter Olympics in Innsbruck, Austria.

The Calgary Games, though, will probably be remembered as the beginning of an Austrian renaissance in skiing.

On Monday, the country won its third gold medal when Sigrid Wolf won the super giant slalom in 1 minute 19.03 seconds, a full second faster than Michela Figini of Switzerland.

Although Switzerland leads Austria, 7-5, in total medals won in the Alpine events with four events to go, the Austrians have won three golds, compared with just one for the Swiss.

Wolf's victory Monday followed



Sigrid Wolf of Austria after winning the super giant slalom.

Anita Wachter's gold medal performance in the combined. Hubert Strolz won the men's combined last week.

"I think they will be surprised back home," said Wachter, who finished fifth in the Super G. "When we are not in the first three, people say we are so bad, we cannot ski."

"But we thought our team was good. We thought about medals, but not so many gold medals."

She said that when Pirmin Zurbriggen of Switzerland won the men's downhill in the first Alpine event, people expected the worst again.

The downhill is skiing's most glamorous and dangerous race, and the Austrians are partial to it after Klammer became a national hero 12 years ago.

While Austria was rebuilding its team these past two years — concentrating on the technical events — the Swiss were being called the best team ever.

They won 8 of 10 events in last season's world championships; they held the top three positions in the women's World Cup standings this season, and Zurbriggen leads in the men's.

"But I'm not surprised at what they're doing here," said Edith Thys, who finished ninth in Monday's race, the best finish for an American skier during these Olympics. "They have a good team and were being overlooked. It was obvious they could clean up here."

There was added motivation for the Austrians after the safety pin affair that happened in Lech, Austria, in January. Wolf won a super giant race, but she and three teammates were disqualified because they violated international ski federation rules when they were safety pins to keep their bib numbers from flapping in the wind.

"I always try to forget Lech," Wolf said. "That wasn't a good time for me. I wore one safety pin."

Wolf had failed to finish the downhill race but said she was given a lift by Wachter's victory in the combined on Sunday.

"Her gold medal made me feel strong," Wolf said. "I felt I could go very, very fast in the super G, and win a medal."

It was easily the best day for skiing in the Olympics, and it showed in the way the women skied. Only three of the 48 starters failed to complete the race.

Figini, the women's leader in overall World Cup points this season, said, "Sigrid skied so well. All the time, it is too easy to say that the skis were not working."

Still, when her teammate, Maria Walliser, followed her down the course, failing to beat her time, Figini began entertaining thoughts of a gold medal.

Wolf, though, just did not make any mistakes, especially on the upper section of the course, where Percy, among others, said the going was tricky. When her time after two-thirds of the race was posted on the scoreboard near the finish line, the crowd roared as she was six-tenths of a second ahead of Figini.

"With the good results we are having in the World Cup this year," Wolf said, "it is not so astonishing what happened today."

Special Thanks to a Home Away From Home

The Associated Press

OKOTOKS, Alberta — Residents of this Calgary suburb didn't have to worry about trying to obtain hard-to-get tickets for the Olympic figure skating pairs' finals. Three of the top four teams came to them.

The performances came as a way of thanks from gold medalists Ekaterina Gordeeva and Sergei Grinkov, who had rented the town skating rink for practice during the first two weeks of February.

Townspike had already led the score was even with the pair, who had opened the practice sessions to the public. But, after winning the gold medal last week, the Soviet pair called to say they wanted to do something more for the town, about 15 miles (24 kilometers) south of Calgary.

"They told me they wanted to say thanks to the people who had been so good to them," said Marg Cox, manager of the Okotoks Recreation Center.

The Soviet pair offered two farewell performances, even suggesting that the town charge admission so that it could raise money to buy a new ice-resurfacing machine. They also brought along silver medalists, Elena Valova and Oleg Vassiliev, and the fourth-place finishers in the pairs competition, Larissa Selezneva and Oleg Makarov.

Word quickly spread and all of the rink's 1,500 seats, and then some, were sold for the one-hour shows on Saturday and Sunday.

Tickets were \$2, but volunteers said many people thought the price too low and paid more.

Thousands of Canadians had come to Okotoks to see Gordeeva and Grinkov during their daily practice sessions. The pair stayed at a local hotel during the time they used the rink.

"It was all very open. They went to many homes on social occasions. We had a wonderful time," Cox said.

OLYMPIC NOTEBOOK

Compiled by Our Staff From Dispatches

Negotiations that would produce the importation of players from the Soviet Union to the National Hockey League were scheduled to continue Tuesday between John Ziegler and Alan Eagleson of the NHL and Marat Grigorenko and Vyacheslav Gavralin of the Soviet Sports Federation.

All parties involved said the possibility of Vyacheslav Fetisov, the Soviet defenseman, joining the Devils in time for their playoff drive appeared remote. "It's getting to the stage where I'm beginning to believe these stories," Igor Dmitriev, a Soviet assistant coach, said of the rumors about the proposed exchange. He then said it was his opinion that no players would be available to the NHL before next season. (NYT)

Poland's hockey coach, said sabotage was involved in the positive drug test of the team's best player, Jaroslav Morawiecki. Morawiecki was disqualified from the remainder of the Winter Games after a urine sample Thursday night revealed that he had a higher ratio of the male hormone testosterone to epitestosterone than allowed by the IOC.

Leszek Lejczyk, the coach, said he believed that water-soluble testosterone was added to Morawiecki's food or beverages within 24 hours of the test.

A statement from the Polish Olympic Committee said the sabotage might have occurred in the dressing room at the Corral, the site of Poland's Thursday night game against France. Earlier Polish sports officials said they were not accusing anyone of sabotage and they thought the player had been an innocent victim of lax security and housekeeping. (LAT)

The Calgary police say they do not have enough evidence to press charges against Othmar Stein, the organizing committee's manager of media services. Stein, angry when his automobile was stopped Saturday as he entered an official parking lot, accelerated quickly and ran over the toes of a volunteer worker, Bill Payne, the general manager of the organizers' media division, said Stein was still employed by the organizing committee, had admitted that he had acted improperly and was "very remorseful." (NYT)

It took 14-year-old Seba Johnson more than twice as long to ski the Olympic super giant slalom course as it did the winner. But then Sigrid Wolf of Austria didn't have to walk 30 yards back up the mountain after a fall.

"I fell at the gate and then went sliding down to the fourth," Johnson said after finishing last among the 43 finishers in Monday's race. "An official told me I could carry on if I wanted to and I had to hike all the way back to the third. By the time I got there, I was really tired, and after that I skied very sloppily."

She could have saved her strength. A review of the gate judges' records determined that Johnson had missed an earlier gate, and she was disqualified. (NYT)

Too many interviews helped contribute to a case of laryngitis for Brian Boitano, the American gold medalist in men's figure skating. Boitano and the other medalists in the event received the accolades of the crowd downtown, but Boitano did not speak at the brief ceremony as he was resting his voice after too many interviews. But he mouthed that he would be all right with a few days' rest. (AP)

Eight members of the Chinese team have returned home, including at least two women on the speed-skating team who left before their events. Terry Bullock, a spokesman for the Calgary organizing committee, said the two skaters apparently were injured but that it was not clear whether the injuries occurred in Calgary during training or before. (NYT)

Karen Percy of Canada, who won her second bronze medal of the Winter Olympics in Monday's super-G race, has been the butt of a family joke for most of her 21 years. "We call her 'the family klutz,'" her mother said. "It's always amazed me how she can ski down a mountain at 65 mph with no problem, then come home and fall down the back steps." (LAT)

Advertisement for Blancpain watches. Text: 'BLANCPAIN SINCE 1735 THERE HAS NEVER BEEN A QUARTZ BLANCPAIN WATCH AND THERE NEVER WILL BE.' Includes an image of a watch and the Embassy logo.

SPORTS

Seton Hall Bids Fair, Stunning Pitt, 89-72

The Associated Press EAST RUTHERFORD, N.J. — Trivia time: Name the only team in the Big East Conference that has never received a bid to the NCAA basketball tournament. Right: Seton Hall.



When Bobby Martin (55) went up for this first-half shot Monday night, Seton Hall's Ramon Ramos was right there to tip it away.

Seton Hall out-hustling and out-working us and wanting it more," he said. "Our intensity was poor. We may have been drained emotionally after the Georgetown game [Saturday], but we shouldn't have been."

P.J. Carlesimo said the victory was his biggest in his six years of coaching at Seton Hall. "To beat a nationally ranked team in a big game is a lot to us," he said. "We played our way back into postseason contention."

Seton Hall, 6-7 in the Big East, has conference games against Villanova, Pittsburgh and Georgetown in the next two weeks, and then the conference tournament. "This is a big one for us," Bryant said. "But I hope it's not our only one. I hope there are more highlights down the road. Our record could be a whole lot better if we played 40 minutes of basketball against the Syracuse, St. John's and the others. Tonight we played the whole 40 minutes and people saw what we could do."

Gore, who suffered a hyperextended right knee in the game, led Pittsburgh with 18 points. Lane had 13 and Smith and Sean Miller each added 12.

Michigan 77, Michigan St. 67; In Ann Arbor, Michigan, Glen Rice scored 33 points to help seventh-ranked Michigan send Michigan State to its fifth straight defeat.

The victory improved the Wolverines to 22-4 overall and 11-2 in the Big Ten. Michigan State fell to 8-15 and 3-10.

Michigan State opened the second half with a 25-18 run that narrowed Michigan's lead to 55-53 with 9:12 left. But Gary Grant, who had been held to five points in the first half, scored six points in a 10-0 run that broke the game open.

Bradley 122, Detroit 107; In Detroit, after the beaten opposition were among Hershey Hawkins' admirers after the Bradley guard scored a career-high 63 points.

"It's really a pleasure to play against somebody like him," said Archie Tullos, who set a school record himself by scoring 49 for Detroit. "I picked up some things that I'm going to try to incorporate into my own game. That's what I try to do whenever I'm able to play against a spectacular player."

Hawkins' 63 points also broke the Missouri Valley Conference record of 62 points, set in 1960 by Oscar Robertson of Cincinnati against North Texas State. Hawkins, the leading scorer in NCAA Division I, went into the game with a 34.4 average.

Notre Dame 66, Creighton 54; In South Bend, Indiana, David Rivers, who went nearly 29 minutes before his first field goal, scored 12 of his 13 points in the second half to lead Notre Dame (17-7).

Creighton (13-15) pulled to within 47-45 on a turnaround jumper by Chad Gallagher, but then went more substitute contact, but the prime minister insists he will do everything necessary to get the 1998 tournament.

All's fair in electioneering. Planning for an Olympics did no harm to Chirac's mayoral campaign in Paris, and a World Cup embracing 12 or more cities is a vote-seeker's dream.

Where Chirac gambles is on the strength of Gallic appetite for soccer. Frenchmen of my acquaintance would at this moment prefer to be offered a rugby world cup that they might possibly win and would in any case play in style.

Biggies Bending the Knee to FIFA

International Herald Tribune LONDON — We sometimes think our world has no pivot, no one and nothing to bring different cultures within one set of rules. Maybe we're wrong.

Some think Dr. João Havelange, self-styled godfather of a simple game called soccer, is the septuagenarian to bridge some gaps between disparate nations.

Why not? He currently has the ear of the prime minister of France, the president of the United States and the king of Morocco. Sooner or later — probably in Seoul — Soviets and Chinese will also court the good doctor.

It may be the man's personal charisma, but I doubt it. I think he has something else all want: the decisive say in who stages soccer's World Cups.

Whatever their ideological differences, Jacques Chirac, Ronald Reagan, and King Hassan II can read balance sheets. In any language, a leader looks for cost-free ways to give his people something and improve his popularity.

World Cups reap Olympian profits without political side effects. Soccer's last finale was bestowed on Mexico at short notice and the Mexicans — hugely in debt and devastated by earthquake — put out a television show watched by 12.8 billion. It also delivered proceeds of \$3.142 billion.

Small wonder that Chirac, who likes sport and loves grandeur, has lobbied into his presidential canvassing the prospect of a World Cup in France.

Chirac went a little far in telling folks that he and Havelange were "already negotiated" the 1998 cup. For contract with Havelange, we must substitute contact, but the prime minister insists he will do everything necessary to get the 1998 tournament.

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In soccer, the French are mourning the passing of a great team. The country has failed to qualify to defend its European Nations Cup this summer, and if Chirac knows of a

Rob Hughes Platinu or a Giresse in embryo, he should tell the nation — indeed, tell the world.

While we wait, Chirac will soon be able to demonstrate the cordiality behind his electoral gum-jumping. Havelange is due in Paris from March 4-9.

But, as FIFA points out, Havelange is not a man alone. He has a 24-man executive committee with 1994, not 1998, on its mind. An inspection group committee is becoming away checking the infrastruc-

tures of 1994 candidates — Brazil, Morocco and the United States. Hard as we try, there's no getting away from Havelange. Morocco and the United States certainly value his influence.

King Hassan last summer presented Havelange with the Grand Cordon Alouaite as an expression of "respect for FIFA's president and a token of thanks for his humanitarian activities all over the world."

The king and Havelange will meet again in Casablanca March 9-14, just before the African Nations Cup, which may show off Moroccan organization and facilities.

Africa has never hosted a World Cup, but Havelange has a commitment to that continent. Much of his power came from Third World votes, and Algeria and Morocco have splendidly adorned his enlarged World Cup format.

Yet the United States also presents itself as a newcomer eager for 1994. Reagan welcomed Havelange at the White House in November, assuring him of federal guarantees. With backers like Coca-Cola, Gillette, Budweiser and Union Pacific, few doubt that the U.S.A. could deliver a \$100 million cup profit.

The states have the market, the technology, the stadiums, but do they have the goodwill of soccer fans? Well, as Havelange helpfully points out, this is the nation that filled its arenas with 1.4 million people for 1984 Olympic soccer games.

He hears claims that something between three and five million young Americans now play his game, so in the year of the U.S. Soccer Federation's 75th anniversary, the baby finally begins to grow.

It would be nice if the United States actually had a man's league, and Werner Fricker, president of the USSF, promises that by 1990 it will have a professional championship that, this time, will be the real thing. R.I.P., North American Soccer League.

When Havelange began marking the American cards of what was required, he talked of the necessity of choosing one coast or the other, east or west, and the need for specific soccer stadiums.

All quiet on that front. I understand that the American bid includes a wide span of 16 stadiums (10 with natural-grass surfaces, thank heavens) spread the breadth of the land. Venues like Palm Jumeirah in Dubai, New Jersey Stadium in Princeton, New Jersey, Miami's Orange Bowl, Arrowhead Stadium in Kansas City, Missouri, and the Rose Bowl in Pasadena, California, may not convince anybody they are purpose-built soccer grounds, but they sure are spacious.

"Football," says Havelange, "is now an organization of professionals in management. Above all, it will not be the enthusiasm of the country but the technical aspect that prevails."

That spells curtains for Brazil? Floods in Rio might seem symbolic reminders of earthquakes in Mexico City. Yet the Brazilian infrastructure, in bricks and mortar and in human organization, looks beyond redemption.

The once supreme Maracanã is peeling, unsightly reminder of decay. The national championships reduced to farce by mismanagement.

And the bigwigs of the Brazilian soccer federation are discharging themselves.

Renbers Hoffmeister and Mido Braga, the respective presidents of the Gaucha League and the Flamengo club, recently settled their differences literally with fists in a press conference. They ought to be disciplined, but by whom?

Octavio Fialho Guimarães presides over Brazil's FA, but is a 70-year-old languishing after allegedly performing an impromptu fall front strip at a dinner dance.

The lights must surely soon be put on Brazil's 1994 hope. More and more, the United States appears to have it.

But Italy's Roberto Bettge, who played his final year in the NASL, warns: "Some Europeans won't want it. They fear once we let them in, the Americans will come out winners."

On or off the field, he didn't say. Rob Hughes is on the staff of the Sunday Times.

SCOREBOARD

Golf

PGA Leaders table with columns for Player, Score, and Par. Includes names like Jay Haas, Steve Jones, and Lanny Wadkins.

Hockey

NHL Standings table with columns for Team, W, L, T, Pts, and Goals For/Against. Lists teams like Philadelphia, Washington, and NY Islanders.

Basketball

National Basketball Association Leaders table with columns for Player, Points, Rebounds, Assists, and Steals. Lists players like Magic Johnson, Larry Bird, and Charles Oakley.

SCOREBOARD

Basketball

College Top-20 Polls table with columns for Rank, Team, and Record. Lists teams like Indiana, Michigan, and Duke.

NBA Standings

NBA Standings table with columns for Conference, Team, W, L, Pct., and Games Back. Lists Eastern and Western Conference teams.

U.S. College Results

U.S. College Results table with columns for Team, Score, and Location. Lists various college sports results across different regions.

Quick Verdict

Not Expected In Baseball's Collision Case

By Ross Newhan Los Angeles Times Service LOS ANGELES — Amid speculation that spring training or the early phase of the season could be disrupted by a decision that would award immediate free agency to a number of key players in baseball's second collision case, arbitrator George Nicolau said late Monday that it isn't going to happen.

Transition

BASEBALL — Transition League California — Signed Randy Miller, utilityman, and Mike Cook and Frank Cimber, pitchers.

NBA Standings

NBA Standings table with columns for Conference, Team, W, L, Pct., and Games Back. Lists Eastern and Western Conference teams.

Facets of the Diamond

Are Smoothed by Age

By George F. Will COOPERSTOWN, N.Y. — There, now, Warm your chapped hands in the glow of that dateless. This village, to which baseball addicts trek for a February fix, is a place to ponder something not frequently noticeable in the modern age: progress.

Transition

BASEBALL — Transition League California — Signed Randy Miller, utilityman, and Mike Cook and Frank Cimber, pitchers.

NBA Standings

NBA Standings table with columns for Conference, Team, W, L, Pct., and Games Back. Lists Eastern and Western Conference teams.

Dining Out section listing various restaurants and their specialties, including Paris 2nd, Ashiana, La Chevauchee, and others.

Large advertisement for Leon featuring a portrait of a man and text about 'Facets of the Diamond'.

ARTS / LEISURE

'LEONARDO': Strange Voyage of Sketch

(Continued from Page 1)

Some of Leonardo's most celebrated drawings have undergone this salvaging process.

Satisfied by such credentials, Mr. Van Rijn concluded the transaction.

Long after the transaction of 1984, Professor Pedretti referred to this notice as an unpublished catalogue entry and incorporated it in his Italian-language entry titled "Autograph Drawing," which appears in a Tokyo exhibition catalogue of 1987.

Enter Yoko Nakamura, then president and owner of the Gekko Art Gallery in Tokyo, which deals in Western art (she has since resigned). Gekko acquired the sketch from Mr. Van Rijn on Sept. 14, 1985, for \$500,000 (about 975 million yen at the time), according to the Reeves-Kawai report.

Act 2 begins in Tokyo with most of the action taking place at the headquarters of the Sekai Kyusei Kyo religious group. It was founded in 1935 by the late Mokichi Okada, an extraordinary figure who embodies the Japanese transition into the modern age.

which he gave to the museum that he created in Hakone in 1952.

Continuing to collect, he bequeathed his new possessions to a second museum set up as an independent body, the MOA Museum of Art at Atami, which opened in his lifetime in 1954.

Mrs. Nakamura informed the board of the SKK that a Leonardo sketch was available on the Gekko premises. She is alleged to have said she had bought it from Mr. Van Rijn for \$6.5 million and had spent another \$1 million in the process.

There has apparently ever been an explanation from either side of the clash with Mr. Van Rijn's stated price of about \$500,000.

On July 16, four members of the board, including the president, Yasushi Matsumoto, went to see the drawing.

At that point, according to the minutes of the board meeting dated Aug. 24, 1985, new considerations were brought into the matter. At the invitation of Board President Matsumoto, a lawyer explained that, according to Gekko, the previous SKK president, Tsutomu Nakamura — had orally committed himself to acquiring the drawing.

that it was in a difficult financial path, and that it was threatened with bankruptcy if the deal did not go through.

According to the minutes the lawyer added that "this work of Da Vinci has been examined by a scholar of the artist."

Professor Pedretti took pains later to point out in a letter to a number of museums dated Jan. 22, 1986, that he does not issue authentication certificates and that improper use was being made of opinions expressed in private correspondence.

After renewed warnings made to the SKK board of possible lawsuits, a compromise was reached at a board meeting on Oct. 21, 1985.

At that stage Gekko was arguing that a link to the Japanese press had made it impossible for it to get a bank loan. It was asking for another loan from the SKK.

send a team to Italy to go deeper into the question of the Leonardo attribution. At that stage, the loans made to the art gallery were inspiring considerable anxiety.

A team consisting of attorney Kikawa, another attorney, Makoto Sakaoka, and Haruki Iwamoto, who speaks English, went to Rome in early November. There is no evidence that they consulted a recognized Leonardo authority.

The SKK board did not immediately learn the details of the trip. On Nov. 16, Mr. Sakaoka described to a party of trainees at the SKK how the precious "Leonardo" had been carried to Italy, apparently in an ordinary attaché case.

It apparently took two months for this information to filter back to the SKK board. Mr. Sakaoka and Mr. Kikawa meanwhile prepared a memo advising that the SKK or the MOA Foundation set up an Italian branch.

to buy the drawing, but Mr. Nakano was determined to kill the decision and it was reversed on March 15, 1986.

The board got Mr. Iwamoto to remove the drawing from the museum. Together, the MOA Foundation and the SKK put pressure on Gekko to agree to take back the drawing with a provision stipulating that the work would be returned to Italy.

President Matsumoto was relieved of his position by the SKK board, a decision that he did not accept — but this is now moot as his presidency expires on March 27.

There are several lessons to be drawn from the saga of the "Leonardo" that many scholars firmly believe is not by the master. In this case, Italian and Japanese law will deal with the events when Act 3, currently being played behind the scenes, is finally resolved.



Barbara Cook in "Carrie": Will this show mark the end of British invasion of Broadway?

Teen-Pulp at Stratford

By Sheridan Morley

LONDON — "Carrie," which plays at Stratford-upon-Avon until mid-March before opening on Broadway at the end of April, is the Royal Shakespeare Company's fifth big-budget show in recent years.

There is no economic or artistic reason why the RSC should not tackle original musicals, just as it tackles new drama or old Shakespeare. Musicals are the most vital and important form of all 20th-century theater.

and rustic kitchens, and which on the first night frequently threatened to decapitate the show's only other true star, Barbara Cook.

nothing on the Stratford stage can rival that chilling movie moment when a hand comes up through a grave during the final tides. We are left wondering why a director with the taste and intelligence and cour-

THE BRITISH STAGE

age of Terry Hands should have decided to devote so much time and rehearsal effort to the kind of airport-bookstand shocker that teen-agers throw away with their hamburger cartons and empty drink cans.

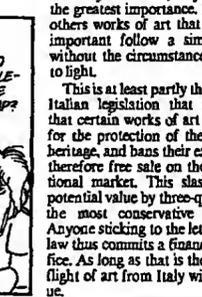
Better news at the Cambridge, where five years after its Broadway debut with Liza Minnelli and Chita Rivera we at last get a London look at "The Rink." John Kander and Fred Ebb's edgy, brittle, nervy musical also about a mother and daughter in crisis, though this time only because they are slugging out the future of the family roller-rink in a tacky American fairground.

This score has always been an object lesson to the makers of "Starlight Express" in how to do roller-skating musicals, but its real importance lies in a succession of great and glittery songs. Josephine Blake and Diane Langton may lack the Broadway fame of their predecessors, but they manage a dynamic and tough and credible double act. Time and time again that blazing score comes to the aid of Terrence McNally's thin plot, which lurches backwards and forwards through flashbacks to pinpoint the familial troubles between mother and daughter.

The acid edge of Brecht and Weill at their best has always been evident in Kander and Ebb's post-"Cabaret" work. A dazzling series of showstoppers takes the roof off a theater where they deserve to be heard for a long time to come, even if the almost total self-containment of those songs does make for an ultimately irrelevant storyline.

Despite Ralph Koltai's spectacular set, which can turn itself into gymnastics and drive-in cinemas

DOONESBURY



NYSE Most Actives table with columns for Volume, High, Low, Last, and Change. Includes stocks like Philco, DuPont, and FPL.

Market Sales table with columns for NYSE 4 AM volume, NYSE prev. close, and NYSE 4 PM volume.

NYSE Index table with columns for Composite, Unchanged, and Total Issues.

Tuesday's NYSE Closing table with columns for Open, High, Low, Last, and Close.

AMEX Diary table with columns for Close, Prev., and New Lows.

NASDAQ Index table with columns for Composite, Unchanged, and Total Issues.

AMEX Most Actives table with columns for Volume, High, Low, Last, and Change.

Dow Jones Bond Averages table with columns for Bonds, Utilities, and Industrials.

NYSE Diary table with columns for Advanced, Unchanged, and Total Issues.

Odd-Lot Trading in N.Y. table with columns for Feb. 22, 23, 24, and 25.

Dow Jones Averages table with columns for Industrials, Transport, Utilities, and Composite.

Standard & Poor's Index table with columns for High, Low, Close, and Change.

NASDAQ Diary table with columns for Advanced, Unchanged, and Total Issues.

AMEX Stock Index table with columns for High, Low, Close, and Change.

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE Mixed in Active Trading

NEW YORK — Prices on the New York Stock Exchange closed mixed Tuesday in active trading. Profit-taking and concern over the outlook for interest rates combined to stall the market's bid to regain its highest level since October.

The Dow Jones industrial average fell 1.17 to close at 2,039.12 after rising 25.70 Monday. Advances edged out declines by a 19-18 ratio. Volume was 192.26 million shares, up from 178.93 million Monday.

The Dow had been down more than 15 points before recovering. Early in the session, the index showed modest gains. But it stumbled as it approached the level of 2,051.89 reached on Jan. 7, the highest point since the October market plunge.

"The market gave a pretty good accounting of itself," said Don R. Hays, director of investment strategy at Wheat, First Securities in Richmond, Virginia. "It got itself into an overbought condition in the past couple of days, and this is one of those resting type of days. I expect several more like it."

Mr. Hays said there was "a slow progression of people returning" to stocks as investors grew more optimistic.

Trade Latimer, a market analyst with Josephthal & Co., said the market's weakness reflected the impact of some program trading and comments made by Alan Greenspan, the Federal Reserve Board chairman, to a House banking committee.

"Greenspan said we are not in the final stages of an economic expansion, and appeared very

comfortable with the status quo," Ms. Latimer said. "The market has mixed emotions when it bears things are not so bad, then interest rates must be OK, and might come down."

Mr. Greenspan said in his congressional testimony that "until fairly recently and, in fact even now, the economy does not exhibit the prairie characteristics of the very late stages of a business cycle expansion."

"This is not a bad market at all," Ms. Latimer noted. "We may have to pull back to gather some momentum, but we are going to break through" the Jan. 7 level. "We may not do it today or tomorrow, but we will do it even if it takes a pull back and stabilize before we make the final attack."

Philadelphia Electric was the most active NYSE-listed issue, unchanged at 44 1/4.

Domestic Resources followed, unchanged at 115 1/2.

American Standard was up 1/4 to 68 1/2. Black & Decker increased its bid for the company to \$68 a share from \$65 a share. Black & Decker was off 1/4 to 19 1/2.

Among other blue chips, General Electric was off 1/4 to 44 1/2. American Express was down 1/4 to 25 1/2. USX was down 1/4 to 32 and Eastman Kodak was up 1/4 to 41 1/4.

Prices were lower in moderate trading on the American Stock Exchange.

NYSE Mixed in Active Trading table with columns for 12 Month High, Low, Stock, Div., Yld., PE, % Chg., High, Low, Close, and Change.

NYSE Mixed in Active Trading table with columns for 12 Month High, Low, Stock, Div., Yld., PE, % Chg., High, Low, Close, and Change.

NYSE Mixed in Active Trading table with columns for 12 Month High, Low, Stock, Div., Yld., PE, % Chg., High, Low, Close, and Change.

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NYSE Mixed in Active Trading table with columns for 12 Month High, Low, Stock, Div., Yld., PE, % Chg., High, Low, Close, and Change.

(Continued on next page)

Tuesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High Low Stock Div. Yld. PE 52 High Low 52 High Low 52 High Low 52 High Low

(Continued)

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52 High	52 Low	52 High	52 Low	52 High	52 Low
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52 High	52 Low	52 High	52 Low	52 High	52 Low
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52 High	52 Low	52 High	52 Low	52 High	52 Low
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52 High	52 Low	52 High	52 Low	52 High	52 Low
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52 High	52 Low	52 High	52 Low	52 High	52 Low
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52 High	52 Low	52 High	52 Low	52 High	52 Low
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52 High	52 Low	52 High	52 Low	52 High	52 Low
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52 High	52 Low	52 High	52 Low	52 High	52 Low
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52 High	52 Low	52 High	52 Low	52 High	52 Low
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52 High	52 Low	52 High	52 Low	52 High	52 Low
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52 High	52 Low	52 High	52 Low	52 High	52 Low
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2

12 Month High	12 Month Low	Stock	Div.	Yld.	PE	52 High	52 Low	52 High	52 Low	52 High	52 Low
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2
17 1/2	16 1/2	Amalgamated	1.00	4.0	10	17 1/2	16 1/2	17 1/2	16 1/2	17 1/2	16 1/2

De Benedetti Lobbies Ministers, Calls for End To Générale Alliances

BRUSSELS—The Italian investor Carlo de Benedetti called Tuesday for an end to "backstage maneuvering" for control of Société Générale de Belgique, after lobbying Belgian ministers in his bid to take over the nation's biggest company.

Meanwhile, Générale de Belgique's shares jumped 250 Belgian francs, or 4.9 percent, to close at a record high of 5,350 francs (\$152), way above the 4,000 francs Mr. de Benedetti is offering to try to increase his stake by 15 percent.

After meeting Prime Minister Wilfried Martens and three ministers, Mr. de Benedetti made what he called an appeal for reason.

"Enough back-stage maneuvers, enough artificial alliances, enough projects inspired only by concern for personal interest," he said in a statement.

French companies led by financial group Compagnie Financière de Suez and a number of other companies have tried to forge an alliance ever since a bid by André Leyens, the chairman of Gevaert NV, to win backing for such an agreement collapsed on Feb. 12.

Suez is believed to control about 25 percent of Générale, while Mr. de Benedetti says he and his allies hold 43 percent.

Mr. de Benedetti's bid for control of the company, which dominates vital sectors of Belgium's economy, has met opposition from government members.

After meeting Mr. Martens, he said he had explained his project to turn Générale into a pan-European company, and said he wanted to get on with the job.

Partial view of an advertisement on the right edge of the page, including the text "Pan", "Commerc", "Drama", and "Free Rates".

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WEDNESDAY, FEBRUARY 24, 1988

Herald Tribune

BUSINESS/FINANCE

with advanced technology



Page 11

MADISON AVENUE

Commercial as Miniseries Is Dramatically Successful

LOS ANGELES — The story of Garland, Lawrence and Mary Ellen unfolded over 12 episodes. As boys during the 1920s, Garland and Lawrence became fast friends. They helped each other through the Depression of the 1930s and vied for the affections of Mary Ellen. When they returned home from war in the 1940s, Mary Ellen chose to marry Garland — but the two men remained best friends, usually keeping in touch over the phone.

It was not a regular television miniseries, but an advertising campaign for Pacific Bell. And in the search for a way to break through the clutter of competing commercials, the idea of using dramatic, episodic commercials seems to have been a runaway success. The campaign generated loads of mail and phone calls and won several awards.

Pacific Bell, in fact, was so happy that it has now begun to air a new, seven-part minidrama called "The Rain Children." It is about the efforts of a brother and sister to keep their family together — often by telephone.

Many advertisers try to build some continuity into their commercials. Adolph Coors Co. has run a series of vignettes set in the fictional "Silver Bullet" tavern to promote its light beer. But probably never before has an advertiser used such elaborate plot spread over so many commercials. Both the "Garland" and "Rain Children" campaigns were written by Robert Black, a creative director at Fomic, Cone & Belding in San Francisco.

As part of the celebration of the 1,000th birthday of Dublin, the advertising partnership of the Irish Tourist Board and Aer Lingus will run a high-toned Sunday newspaper insert on May 1 to reach the most affluent consumers in their four best U.S. tourist markets.

"The Dublin Millennium" will be carried in fractional press runs of The New York Times, the Los Angeles Times, the Boston Globe and the Chicago Tribune going to neighborhoods where people are generally prosperous.

THE FIRST ISSUE of Fortune France has the chairman of Louis Vuitton and Moët-Hennessy on the cover toasting one another with — what else? — champagne. Their luxury-goods conglomerate is the subject of the lead article. The new Fortune, which reached French news kiosks Feb. 4, is a joint venture of Time Inc. and Hachette Filipacchi, the big French publishing house that owns Paris Match and Elle. The deal is a 50-50 joint venture, with Hachette the managing partner. Fortune France is the first of what Time's management hopes will be a large number of such publications. Fortune's American publisher, Jim Hayes, said the company was talking with publishers in West Germany, Italy and Spain and was expecting proposals on joint ventures from Hong Kong and Taiwan.

Charcuterie Tour Eiffel, which sells pâtés and delicatessen meals to American supermarkets and specialty stores, to Image Concepts, Paramus, New Jersey. Great American Magazines, a sales agency for magazine subscriptions, to Rosenfeld, Sirowitz, Humphrey & Strauss.

Hiram Walker to Eisaman, Johns & Laws, Chicago, for Irish Mist Liqueur assignment. Marjorie Kalter has been named senior vice president at Wunderman Worldwide, the direct marketing subsidiary of Young & Rubicam.

NatWest Profit Falls 30%

Bank Posts Result Of £704 Million

By Warren Getler International Herald Tribune LONDON — National Westminster Bank PLC reported Tuesday that its pretax profit fell 30 percent to £704 million (\$1.23 billion) in 1987, with debt provisions and investment banking losses eclipsing a surge in domestic retail banking earnings.

Britain's largest and most profitable bank attributed the result to a £562 million one-time charge for provisions on bad and doubtful loans to developing countries. NatWest posted a record £1.01 billion profit in 1986.

The results were at the low end of analysts' forecasts. Separately, the bank said it had accepted with "regret" the resignations of the two top executives at the group's investment banking arm, County NatWest.

Their departure follows reports that County NatWest's management has failed to adequately supervise its traders since the stock market collapse in October.

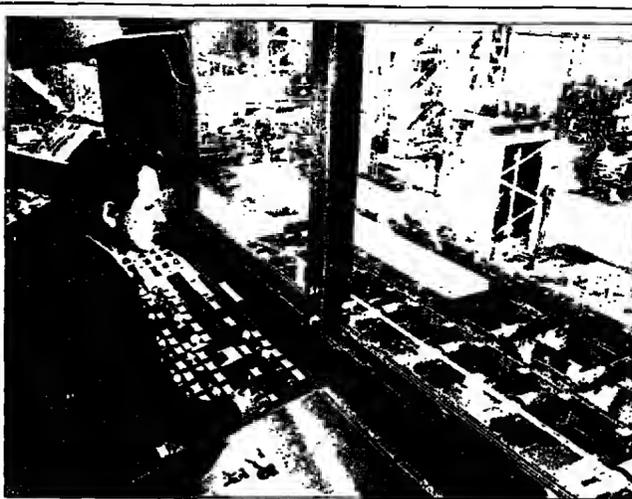
The unit's holding company, NatWest Investment Bank Ltd., posted a £38 million loss for 1987 after a £38 million loss in 1986. Contributing to the loss, the company said, was a £30 million charge related to losses in the stock market downturn.

NatWest's chairman, Lord Boardman, said that the parent bank remained committed to the investment banking division, even though it is not likely to post profits for "several years."

NatWest Investment Bank posted a £12.1 million trading loss for the year, reflecting poor results in the Eurobond market, in British government bonds, or gilts, and in international equities. It also took a £47.5 million charge on its underwriting of an undersubscribed share issue by Blue Arrow PLC.

The division also is believed to have lost several million pounds when young dealers exceeded their trading limits in options. New

See NATWEST, Page 14



A steel plant in Gary, Indiana, run by USX Corp., whose per-ton output costs now match Japan's.

U.S. Industry: A Boast Too Soon?

Productivity Is Indeed Up, but Foreigners are Gaining

By Claudia H. Deutsch New York Times Service

NEW YORK — Throughout the United States, corporate chiefs are exulting in American industry's rebound from the competitive doldrums. In speeches and annual reports, they boast of how they have cut the fat out of management and sold businesses that did not jibe with overall corporate strategy.

They say they have attacked problems of quality, both by re-educating workers and installing technology that alerts employees if a machine produces faulty parts. And they usually end with a plea to Washington to do the rest of the job by implementing better monetary, trade and tax policies.

But are the executives resting on laurels they have not yet earned? Economists and many academicians, along with a handful of prominent business leaders, say they are.

These experts worry that quality problems are alleviated, but not solved; that it still takes too long to get products from lab to

market; that workers and management remain at odds in too many plants, and that U.S. companies retain a provincial attitude toward world markets.

"We've come a third of the way to regaining competitiveness by slashing costs and improving productivity, but clearly, we have not done enough," said Jerry J. Jasinski, senior vice president of the National Association of Manufacturers.

Andrew C. Sigler, chairman of Champion International Inc., is blunter. "Cutting isn't the answer; that can be done by stupid arbitrary judgments," he said. "Competitive companies must

understand how to motivate people to be productive, and that is hard as hell." No one doubts that progress has been made. Indeed, sales per employee, a key productivity measure, have skyrocketed at most companies. Factory productivity is rising in almost every industry. Exports are surging to the point where the trade deficit narrowed by 25 percent in November, and shrank again in December.

Manufacturing costs are down from 15 to 25 percent, and administrative costs have been cut even more. Numerous companies have installed just-in-time inventory control, a system in which suppliers deliver quality-guaranteed parts that are used immediately rather than placed in stock. Hewlett-Packard Co. has chopped \$600 million a year from its inventory carrying costs through such a system.

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Durables Orders Fell by 2.8% in U.S. Last Month

WASHINGTON — New orders received by U.S. manufacturers for durable goods fell 2.8 percent in January, the biggest decline in a year, the Commerce Department reported Tuesday.

The weakness resulted mainly from a decline in orders for aircraft, motor vehicles and primary metals such as steel. Analysts were not alarmed by the downturn, which followed a healthy 4.1 percent increase in overall orders in December.

The December advance had been the largest gain in nine months. Orders for durable goods, items designed to last three years or more, fell to \$112.2 billion in January from \$115.5 billion in December. The 2.8 percent drop was the largest setback since an 8 percent fall in January 1987.

Excluding military orders, durable goods orders were down 2.1 percent. That matched the decline in August, which was the steepest since a 6.9 percent downturn, also in January of last year.

Within the key category of non-military capital goods, however, orders climbed 1.6 percent to \$34.4 billion. A downturn in orders for civilian aircraft and parts was more than offset by increases in several machinery categories, including office and computing equipment. "I would not take a negative view of this report," said Norman Robertson, chief economist at Mellon Bank in Pittsburgh. "It continues to show strength in the key capital spending sectors."

Spending for new equipment showed a pattern of moderate growth, he said. "There is nothing to indicate that the economy, or the industrial part of the economy, is sliding into an early recession."

David Wynn of Data Resources Inc., an economic forecasting firm in Lexington, Massachusetts, agreed that nonmilitary capital spending was "most encouraging."

Orders for transportation equipment fell by \$3.8 billion or 12.4 percent in January to \$27.2 billion, reflecting a decline in aircraft and motor vehicles as well as parts in both categories.

Orders for primary metals declined \$1.9 billion or 15.5 percent in January to \$10.2 billion, offsetting a 10.5 percent increase in December, the department said.

New orders for electrical machinery rose 5.5 percent in January to \$20.8 billion, the fourth increase in the category in five months. Orders for nonelectrical machinery grew by 5.8 percent to \$20.3 billion, after 6.3 percent in December.

New orders for military capital goods fell for the sixth time in seven months, by 12.1 percent to \$7.9 billion. (UPI, AP)

U.K. Economy Grew by 1% in Fourth Quarter

LONDON — Britain's gross domestic product rose by 1 percent in the fourth quarter of 1987 from the previous quarter, according to preliminary government data released Tuesday.

GDP, on the basis of economic output, grew 5.26 percent in the quarter from a year earlier, the Central Statistical Office said. GDP had risen 2.1 percent in the third quarter from the second, giving an annual growth rate of 5.23 percent at that time.

The office said that fourth-quarter growth was led by manufacturing, which grew 1.5 percent from the third.

The office said output data is the most reliable measure of short-term changes in GDP, which is the total output of goods and services, minus income from operations abroad. The other measures are on income and expenditure.

Daimler Still Reluctant On Messerschmitt Stake

Chairman Says Airbus Is Problem

By Ferdinand Protzman International Herald Tribune

STUTTGART — Despite urging from federal and state governments, Daimler-Benz AG is not interested in acquiring an interest in Messerschmitt-Bölkow-Blohm GmbH if it involves taking on that aerospace company's commitment to the Airbus consortium, according to Edzard Reuter, Daimler's managing board chairman.

Mr. Reuter said talks with the federal government and shareholders and management of MBB on the restructuring of the West German aerospace industry are continuing. But MBB's ownership of Munich-based Deutsche Airbus GmbH, part of the European Airbus consortium, remains a sticking point.

"We have one big problem in those talks. And that is that famous Airbus," Mr. Reuter said in an interview at Daimler-Benz corporate headquarters in the Stuttgart suburb of Untertürkheim.

He said that Airbus would not become economically viable before the end of the century. The federal government has tried for more than two years to get Daimler to acquire just under 30 percent of MBB by purchasing part of the shares currently held by the states of Bremen, Hamburg and Bavaria.

The government is pumping 5 billion DM (\$2.94 billion) into Deutsche Airbus to cover the company's share of the development costs for the Airbus A-330 and A-340 jet aircraft. That level of government involvement does not sit well with Mr. Reuter.

"As the biggest German private company, we are not ready to continue asking for government subsidies in the size of billions of Deutsche marks," he said.

"So, what we did is ask our partners to solve that problem, the financing of the Airbus, before we ourselves are ready to enter into real negotiations on participating or taking over a share of MBB."

In a 70-minute interview with American journalists, Mr. Reuter also spoke about Daimler's earnings performance in 1987, and complains that the quality of some Mercedes cars is slipping.

In 1987, Daimler's group sales rose 2.3 percent to 67 billion DM from 65.5 billion DM the previous year, while net profit stagnated at its 1986 level, the company said on Feb. 18. Daimler has yet to release profit figures for 1987. In 1986 it posted net group profit of 1.77 billion DM.

Sales of Mercedes cars and trucks totaled 50.7 billion DM in 1987. Auto sales were little changed at 31.5 billion DM, compared with

31.4 billion DM the previous year, and truck sales were up 7.9 percent to 19.2 billion DM from 17.8 billion DM.

Mr. Reuter said he was very satisfied with the 1987 results, in light of the decline of the dollar over the course of that year. "I would be very happy if in 1988 we could reach the same levels as in 1986 and 1987," he said. "I think 1988 will show some more problems for us. The international car markets are under pressure after years and years of booming."

Although the company was successfully able to hedge against the dollar's fall in 1987, currency rate factors could also affect Daimler's earnings performance, he said.

Mr. Reuter masterminded Daimler's evolution from a maker of cars and trucks into a broadly diversified, high technology conglomerate. That was accomplished in 1985, when the company went on a 2.6 billion DM buying spree, acquiring AEG AG, Dornier GmbH and Motoren & Turbinen Union GmbH.

AEG is an electrical and capital goods company. Dornier is an aerospace and medical technology concern and MTU builds turbines and aircraft engines. The purchases gave Daimler a product line ranging from steam tractors to surface-to-air missiles.

Those moves have been criticized by some industry analysts, who suggest Daimler is facing a period of stagnant profits as it struggles to integrate the other companies with its automotive operations.

Among its problems has been a perceived lack of performance in Mercedes mid-sized cars, which have been the target of unusually sharp criticism from consumers.

Mr. Reuter blamed the problems on Daimler's uncharacteristic haste in introducing the cars. The faults have since been corrected, he said.

He disputed the view that there is an integration problem. "This process of integration is on its way," he said, "but it's proceeding step by step and this means not in a period of one or two years."

"We never thought of integrating those companies in the sense of forming them into a uniform kind of organization."

He said that developing future generations of autos with more electronics would be a primary task. "We felt we should integrate companies into our concern who are able to contribute to that aim," he said. "This goes especially for AEG and Dornier. The cooperation between Daimler-Benz, AEG and Dornier is proceeding rather quickly and very satisfactorily."

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Table with 4 columns: US dollars in millions, 1987, 1986, and %. Rows include Income before taxes, Net income, Average Total Assets, Customers' deposits, Loans and discounts, Shareholders' equity, Market capitalization, Dividend per share, and Return on assets.

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de Lobbies Calls for End to Alliances

de Lobbies Calls for End to Alliances

COMPETE: As U.S. Industry Battles for Market Share, Experts Say Productivity Is Up — but Foreigners Are Close Behind

(Continued from first finance page) pressive gains. David M. Roderick, its chief executive, said USX now makes a ton of steel in less than 4 man-hours, down from 10 a few years ago. In fact, USX's per-ton production costs are in line with those of the Japanese.

But much of the progress in the manufacturing sector may be illusory. Many gains in comparative cost that American companies have made against the Japanese can be traced to the rise of the yen, and could be wiped out if the dollar rebounds.

In addition, many huge productivity improvements in steel and other basic industries were accomplished primarily by closing plants and winning union concessions. Such gains cannot be improved upon without more bloodletting and closed capacity.

"Yes, American industry has improved over the past four, five years, but so have our competitors," said Robert Anderson, the departing chief executive of Rockwell International Corp. and a member of the 1983 presidential commission on industrial competitiveness. "The United States may have been 1 on a scale of 1 to 10. Well, now we're 5."

Indeed, business experts warn that U.S. industry is not moving fast enough. Foreign companies are getting into new product areas all the time, leading to shakeouts in almost every market.

Anyone who watched Xerox Corp. fall victim to the Japanese in copiers, or saw Pratt & Whitney lose its longstanding lead in aircraft engines to General Electric Co., would recognize that past rules of competition do not apply in the global business environment of the 1980s.

The vast improvements that many U.S. companies have eked out on the factory floor have not always been replicated in nonproduction areas, like sales and administration. And they have certainly not been apparent in the service sector, which employs about 70 percent of American workers.

Indeed, maintaining — or, in some cases, regaining — supremacy in manufacturing industries remains vital for the U.S. economy. Reliance on the fast-growing service sector could spell disaster. Low productivity in services is an open invitation for future competition from overseas.

In any event, manufacturing companies are the clients for more than 25 percent of services. "Idiot is not an out-of-line word for people who say a service economy is the way to go," said Mr. Roderick of USX.

On a global basis, American productivity figures are not comforting. The years of stagnating growth in productivity earlier in the 1980s did not rob the United States of its leading position in world produc-

tivity. But now, although U.S. productivity is again improving at a steady annual clip, other countries are catching up.

Based on growth rates in productivity from 1973 and 1986, C. Jackson Grayson Jr., head of the American Productivity Center in Houston, predicts that Canada, France, Norway, West Germany, Belgium and Japan will eventually pass the United States in employee productivity.

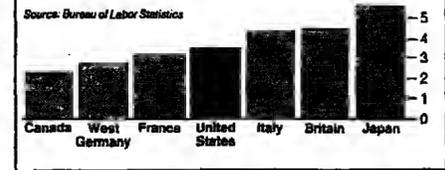
"The U.S. is still the world leader, but you just can't assume that will last," he warned.

Quality issues remain the sharpest thorn in U.S. industry's side. For years, the Japanese — not to mention the Germans, the Koreans and a growing legion of others — have produced high-quality goods at market prices, and American companies are still scrambling to figure out how they do it.

Xerox Corp. learned the hard way how quickly Japanese competition can turn market supremacy into market oblivion. Until the early 1970s, Xerox was the undisputed copier king. "We were fairly arrogant, until we realized the Japanese were selling quality products for what it cost us to make them," said Paul A. Allaire, Xerox's president. Xerox has caught up, and its arrogance is long gone. Instead, its

Productivity Rising, But Fast Enough?

Percent change in manufacturing productivity from 1979 to 1986, measured by output in manufacturing divided by hours worked. — 6%



The New York Times

It is the companies that have made the greatest strides in quality that keep looking for better ways to do things. "We've sent people around the world, looking for best practices," said John A. Young, chief executive of Hewlett-Packard. The company does "total quality control" analyses of every department, including sales and administration.

But most companies still try to make do with a quick fix. Some have tried worker-involvement programs that failed when companies refused to give workers the power to implement their ideas.

Others have beefed up inspection programs for parts and fin-

ishing, product design or service operations.

IBM Corp. has occasionally made that mistake. By not paying serious attention to customers' frustration with the incompatibility of many IBM machines, it opened doors for Digital Equipment Corp. and other companies to pump research dollars into developing networks that would solve the incompatibility problems.

"In the past, you could enter markets at your own pace," said E. Kirby Warren, vice dean at the Columbia Business School. "Today, you have to learn what customers want, make it and sell it, or someone else will."

That means operating as close to the market as possible. For that reason, the delight that many business executives are manifesting at the rising export figures may be misplaced.

While exports help the skewed trade balance, many business experts believe that for American companies to thoroughly penetrate overseas markets, they must produce in those markets.

Producing offshore also enables companies to take advantage of currency fluctuations. Dow Chemical Co., for one, has duplicate facilities in several countries and fills orders from whichever location looks as though it will have the lowest cost at shipment time.

Lastly, producing offshore is still the best way to get to know other cultures and markets. The annals are crammed with stories of companies that tried to export full-size refrigerators to countries notable for tiny kitchens, or dolls with blond hair and blue eyes to countries in Asia and Africa.

To really spot the needs of foreign markets — to become market-driven, in management jargon — requires a new attitude toward product design.

GE Plastics is working with aircraft companies to develop materials to solve toxic-fume problems. And Rockwell and TRW Inc. are tailoring their automotive parts for different countries.

Some say that it is the lack of such flexibility that has most hurt the U.S. steel industry. "It didn't develop new uses for steel when

plastics, aluminum and cement knocked it off in automotive and construction," said Charles Bradford, a steel analyst at Merrill Lynch Research.

Mr. Roderick of USX accurately notes that the Japanese and Europeans also have not developed new markets for steel. But as low-cost producers, they never had to.

Many business experts say that if a company can truly maintain its position as lowest-cost producer, it can get away with a lackluster track record of product introductions. "A company that is putting all of its resources into products will look good in the short run, but the key is still its manufacturing processes," said Robert H. Hayes, a management professor at the Harvard Business School.

Sometimes chief executives argue that the chief obstacle to long-term investments is Wall Street. They complain that corporate raiders, frightened boards and investors clamoring for immediate paybacks pose obstacles as formidable as any provided by foreign competitors.

"Far too much of our capital is going into stock buybacks or defensive moves against raiders," said Patrick Choate, an economist who is TRW's director of policy analysis.

Goodyear Tire & Rubber Co.'s strategy of reducing its dependence on tires and investing in productivity tools was neatly derailed in 1986 when investors, angered at the lack of short-term profits, sold the stock, providing a golden opportunity for Sir James Goldsmith to begin a takeover attack. The board sold chunks of the company and mortgaged other parts to maintain Goodyear's independence.

There are success stories, of course — tales of companies that, with full board and shareholder backing, have honed their production and marketing skills, motivated their people and done just fine.

Rubbermaid Inc. has put about 9 percent of revenue into new plants and modernization every year of this decade. In 1980 it had six manufacturing locations; today it has 25. The company, based in Wooster, Ohio, has introduced more than 700 products in the last five years. Its productivity, measured in units produced per employee, has increased by 50 percent since 1980, and its profits have quadrupled on tripled sales.

But in many ways, Rubbermaid had it easy. Inexpensive household products, Rubbermaid's mainstay lines, do not face much competition from imports. No raider has made a run at the company. It has always had a reputation for quality.

Most U.S. companies are now looking for the most workable mix of centralized and decentralized operations. Eastman Kodak Co. has reorganized into 24 business units, each with profit-and-loss re-

sponsibility, to speed up commercialization of new products.

Digital Equipment used to view each product line as a separate business responsible for its own worldwide marketing. The result was that "the U.S.-based managers would push the wrong products in the wrong countries," Mr. Hindle said.

Now the company gives executives in each country responsibility for selling all products in their geographic areas. Its Japanese managers, for example, recognized that while the Japanese had ample access to excellent computers, there was a need for good software, so that is what they are emphasizing in Japan.

Many companies also are looking for a new breed of manager who can help to coordinate product design and manufacturing.

Already, some companies — including Xerox, Ford, Kodak and Hewlett-Packard — form teams of people from production, engineering, marketing and design at the point that a product is conceived, and keep them together until the product hits the market.

In some cases, they have moved engineers and designers to the factory floor. The result, they report, is fewer quality problems, and a speeded-up timetable for getting products to market.

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U.K. Clears Way for BP-Britoil Deal

The Associated Press
LONDON — The British government said Tuesday it has agreed to relinquish its "golden share" in Britoil PLC, removing the remaining obstacle to British Petroleum Co.'s £2.5 billion (\$4.4 billion) takeover offer for the North Sea oil company.

The government does not intend to exercise the share as long as BP upholds promises to maintain headquarters for some of Britoil's operations in Glasgow, the chancellor of the Exchequer, Nigel Lawson, said in answer to questions in the House of Commons.

The government retained the special share, which gives it a controlling vote over the company's affairs, when it privatized Britoil in two stages in 1982 and 1985.

The special share will eventually be transferred from the Treasury to Britain's Energy Department. Its final disposition will be determined later, Mr. Lawson said.

BP has acquired 79.8 percent of Britoil's 504 million shares outstanding through a 500-pence-a-share tender offer that began in December. BP's stock, which had gained 1 pence before the government statement, ended unchanged at 249 pence on the London Stock Exchange. Britoil's rose 1 penny to 499.

Mr. Lawson said discussions on the terms of the takeover, originally opposed by Britoil, had finished. BP agreed to locate both Britoil's and BP's North Sea exploration and production head offices in Glasgow, where Britoil has its

News Corp. Says Net Rose 24% In Its First Half

Reuters
ADELAIDE, Australia — News Corp., the cornerstone holding of Rupert Murdoch, said Tuesday that net profit for the first half of its financial year had grown 24 percent because of acquisitions in Australia and the Pacific, and higher profit from operations in Britain.

Equity-accounted net rose to 227.30 million Australian dollars (\$163.3 million) in the half-year that ended Dec. 31. But earnings fell in the United States, where Mr. Murdoch has agreed to sell the New York Post. U.S. operations contributed 191.88 million dollars to total earnings of 479.41 million, calculated before interest or tax. This was well down on a contribution of 233.28 million a year earlier.

Group revenue rose 13.3 percent, to 2.97 billion dollars. Australia and Pacific Basin revenue soared to \$31.34 million dollars from 461.55 million, reflecting the acquisitions of The Herald & Weekly Times Ltd. group and the South China Morning Post.

2 Dutch Publishers to Take Substantial Cross-Holdings

Reuters
AMSTERDAM — Two leading Dutch publishers, Wolters Kluwer NV and Elsevier NV, agreed Tuesday to take as much as one-third of each other's stock, in a move to close the books on a bitter takeover battle last year.

Wolters acquired Kluwer NV in August with a bid that valued that publishing company at 1 billion guilders (\$470 million), after Kluwer had asked for help in fending off Elsevier's hostile offer. Hostile takeovers are a rarity in the Netherlands.

As a result of purchases during the takeover battle, Elsevier was left with 1.2 million shares of Kluwer. The stock ceased being quoted on the Amsterdam Stock Exchange after the merger of Kluwer and Wolters Samsom Groep NV into Wolters Kluwer.

Wolters Kluwer said Tuesday that Elsevier would swap its Kluwer holding for a 32.5 percent interest in Wolters Kluwer.

A Wolters spokesman said his company had bought Elsevier shares in the open market but he did not say how many.

Wolters Kluwer said the two companies had agreed to limit their cross-holdings to one-third.

Texaco Settles \$1.25 Billion Claim

Reuters
WHITE PLAINS, New York — Texaco Inc. said Tuesday that it will pay the U.S. Department of Energy \$1.25 billion plus interest over five and a half years to settle claims that it violated oil price controls in effect from 1973 to 1981.

The agency estimated that its claims, similar to those involving many U.S. oil companies in the 1970s, totaled more than \$2.1 billion.

The company said the settlement will not affect current earnings, because it is covered by reserves included in the financial plan for Texaco's reorganization under federal bankruptcy law.

Mezzanine Capital Corporation Limited

Notice to the holders of the fully paid Bearer Depository Receipts ("BDRs") evidencing Participating Redeemable Preference Shares of US 1 cent each ("Shares") of Mezzanine Capital Corporation Limited (the "Company")

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AMSTERDAM DEPOSITORY COMPANY N.V.
 Amsterdam, 17th February, 1988.

NATWEST: Profit Falls 30%

(Continued from first finance page)
 management is expected to exert tighter control.

Late Monday, the parent bank announced the resignations of County NatWest's chairman, Charles Willers, and chief executive, Jonathan Cohen. It said that Terry Green, already a board member of both NatWest and its investment banking arm, would temporarily assume the chairmanship.

But industry sources predicted that John Chiene, former chairman of the Edinburgh-based stockbrokers Wood Mackenzie & Co., eventually would be named chairman. Mr. Chiene currently heads County NatWest's securities business.

NatWest acquired Wood Mac-

Honda's Profit Advances on Special Items

Reuters
TOKYO — Honda Motor Co. said Tuesday that its net profit had risen 38.1 percent in the quarter ended Dec. 31, reversing a recent trend toward declining income.

But the automaker said most of the increase was due to gains from foreign currency trading, lower taxes and higher income from nonconsolidated subsidiaries and affiliates. Group operating profit fell, mainly because of the weaker dollar, Honda said.

The company said its net profit for the quarter rose to 23.68 billion yen (\$183 million) from 17.15 billion in the three months to Nov. 30, 1986.

The comparison to a different period was made because Honda is changing its financial year to end March 31. Formerly, its year ended Feb. 28.

Group sales and other operating revenue for the period rose 20.5 percent to 789.55 billion yen, Honda said. But group operating profit fell 31.4 percent to 32.46 billion yen. Car sales rose 21.3 percent.

Indigo Ideas

Last time Telestyle was \$290, Indigo's director sent a memo to clients explaining why he was buying call options for the Indigo Index Fund. Check its latest price, and if this sort of action interests you, please ask for complimentary weekly reports.

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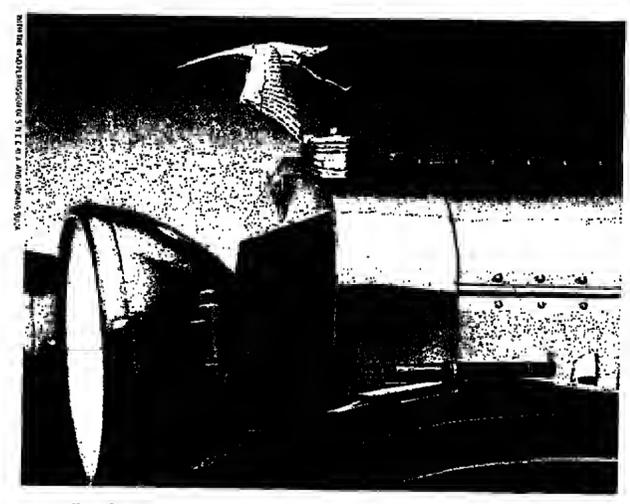
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Finland F.M.	1,730	44	950	39	520	33
France F.F.	1,500	41	820	36	450	29
Germany* D.M.	580	41	320	35	175	29
Gr. Britain £	130	40	72	34	40	27
Greece Dr.	22,000	53	12,000	49	6,600	44
Ireland E.Irl.	150	45	82	40	45	34
Italy Lire	380,000	42	210,000	36	115,000	30
Luxembourg L.Fr.	11,500	37	6,300	31	3,400	25
Netherlands Fl.	650	40	360	34	198	27
Norway (post) N.Kr.	1,800	45	990	40	540	34
—** (hd.del.) N.Kr.	2,300	30	1,270	22	700	5
Portugal Esc.	22,000	58	12,000	54	6,600	50
Spain (post) Ptas.	29,000	45	16,000	40	8,800	33
—** (hd.del.) Ptas.	45,240	—	22,630	—	11,310	—
Sweden (post) S.Kr.	1,800	45	990	40	540	34
—** (hd.del.) S.Kr.	2,300	30	1,270	22	700	14
Switzerland S.Fr.	510	44	280	38	154	32
Rest of Europe, N. Africa, former Fr. Africa, Middle East \$	430	Varies by country	230	Varies by country	125	Varies by country.
Rest of Africa, Gulf States, Asia \$	580	—	320	—	175	—

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24-2-88

CURRENCY MARKETS

Dollar Limp After Fed Testimony

NEW YORK — The dollar closed narrowly lower against most currencies on Tuesday in lifeless trading, taking scant encouragement from remarks by the Federal Reserve Board chairman, Alan Greenspan, that the dollar is at a comfortable level.

Table with columns: Currency, 1987, 1988, 1987, 1988. Includes Deutsche mark, Japanese yen, Swiss franc, etc.

Mr. Greenspan's testimony to the House Banking Committee was generally as anticipated. In the absence of clear direction, the market continued to be thinly traded on technical factors.

U.S. Negotiator On Trade Quits Over Promotion

WASHINGTON Post Service — Bruce Smart, a top Reagan administration trade negotiator, has resigned as undersecretary of commerce after differences with Commerce Secretary C. William Verity.

China's Economy Grew in 1987, as Did Inflation

BEIJING — China's economy grew by a robust 9.4 percent in 1987 but rising prices caused by high consumer demand lowered living standards for one of five city dwellers, the State Statistics Bureau said Tuesday.

FED: Greenspan Expects Slower Growth but Sees No Signals of a Recession

(Continued from Page 1) on this issue. It is an economist's disagreement," he said. Mr. Greenspan also refused to make a prediction on the course of short- and long-term interest rates in 1988.

London Dollar Rates

Table with columns: Currency, 1987, 1988, 1987, 1988. Includes Deutsche mark, Japanese yen, Swiss franc, etc.

Dealers said the bearish sentiment on technical grounds came after the dollar breached several support levels. The fact that the dollar had already failed to rise above recent resistance levels of around 1.7150 DM after publication of the latest U.S. trade figures, despite the narrowing of the deficit, "shows that the dollar is more vulnerable to bad news than it is to good news," said one dealer.

Gold Weakens

Gold futures softened by about \$3 in New York after Mr. Greenspan's prediction on inflation for 1988. Spot gold closed at \$441.75, down from \$444.95 on Monday.

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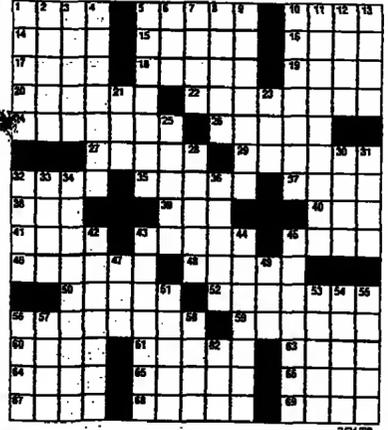
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worm

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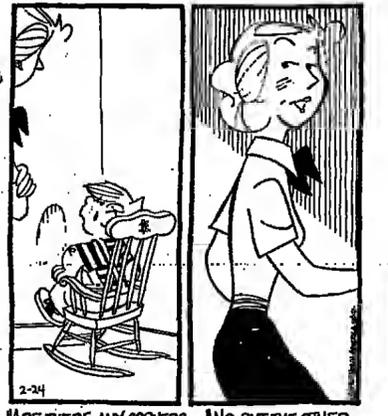
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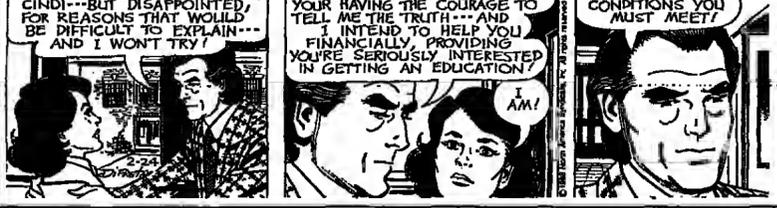
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Antwerp	10	4	3	38	32
Berlin	15	9	4	39	32
Brussels	10	5	1	38	32
Copenhagen	15	9	4	39	32
Dublin	10	5	1	38	32
Frankfurt	10	5	1	38	32
Geneva	10	5	1	38	32
London	10	5	1	38	32
Madrid	14	7	4	41	34
Munich	10	5	1	38	32
Nice	14	7	4	41	34
Paris	10	5	1	38	32
Rome	14	7	4	41	34
Stockholm	14	7	4	41	34
Zurich	10	5	1	38	32

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Alcatel 44.40	Commerzbank 217.50	Deutsche Bank 242.50	Amstel 12.50	Commerzbank 217.50	Commerzbank 217.50	Commerzbank 217.50	Commerzbank 217.50
Amstel 44.40	Deutsche Bank 242.50	Deutsche Bank 242.50	Bank of Paris 10.50	Deutsche Bank 242.50	Deutsche Bank 242.50	Deutsche Bank 242.50	Deutsche Bank 242.50
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The Mysterious Press, 129 West 56th St., New York, N.Y. 10019.
Reviewed by Robin W. Winks

ONE of these days some scholar is going to tell us why Ted Aliberry, one of the best writers of spy novels in business, well regarded in Britain and translated into 15 languages, remains so little known in the United States. Over the long haul—"The Judas Factor" is at least his 25th book—Aliberry is arguably the best teller of spy tales to come out of that growing group of authors who once were spies themselves, and I include John Le Carré in that judgment. Yet he remains relatively unread in the United States, and indeed is so little remarked upon that Anthony Masters, in his recent book on writers who worked as spies ("Literary Agents: The Novelist as Spy") finds no room to mention his fellow countryman even once, despite making space for such dubious writers as Tom Driberg and romanticizers like Ian Fleming.

The problem may be that Aliberry pretty much tells it as it is. He was there, and he knows what it feels like to lie to a man, to walk the streets of Adliswil in a cold sweat to be holed in Berlin. His books tend to be sad in tone, for spying and betraying and manipulating weak people into becoming even weaker is rather sad work. He does not think in terms of black and white: The protagonists in "The Judas Factor," one working for France for British intelligence, the other a professional assassin for the KGB, are both shown in a sympathetic light, though both can be cruel, weak in their own ways and even incompetent. Reality such as this can scarcely please the avid cold warrior or the reader who expects all heroes to perform to the perfection of James Bond. Nor is there much sex in Aliberry's books, or at least not more than there is in real life.

"The Judas Factor" is a representative Aliberry product. The plot is tight, the writing is spare, and the conclusion has the bitterness of the early Graham Greene and the late Francis Clifton were once so good. Aliberry shows us the professional assassin at work, a married man with a loving wife and child, a man who is good at his job and has

Solution to Previous Puzzle

SHAVE	PRIM	BONO
LACES	AURA	EWES
OVERTURNED	ANNOA	
TESTATE	SEATING	
ITERS	GOENSE	
GRACES	PAVING	
RITAS	CADET	UGH
IDOL	PACER	SPRY
PEH	ERMES	GUTUP
ENDEAR	THROBS	
SAMUEL	SPOON	
OVERLUN	RELATES	
BIHS	DEBATEMENT	
ESTE	EATY	REATA
ROSS	SORE	ASSET

BRIDGE

By Alan Truscott

VERSATILITY in active games and sports is not uncommon, nor, in intellectual pursuits. But the combination is very rare. Consider this assortment: classical scholar, constructor of crosswords for a major newspaper, strong chess player, bridge international competitor and columnist, strong cricketer and golfer, and one of the best croquet players who has ever played that subtle game.

The man with those remarkable credentials is Pat Cotter, an Irishman who has lived most of his life in London. For the last quarter of a century he has been the bridge columnist of The Financial Times, following a bridge career that included two appearances for Britain in the European Championships.

On the diagrammed deal, Cotter reached a normal six-spade contract. After the expected club lead, you simply win held his breath. He was a happy man when East could not find a second trump. The diamond on the heart was repeated, and a diamond was ruffed to return to the closed hand. It was then an easy matter to finesse in trumps and score the doubled slam.

Cotter did not fancy his chances. If he drew trumps, with or without a finesse, he would be stuck in the dummy and unable to finesse in diamonds. The only chance, a rather remote one, was that East had begun with a singleton spade as well as a diamond void.

Cotter therefore led the diamond queen, finessed, and

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Alfa Laval 282.00	Bank of Paris 10.50	Deutsche Bank 242.50	Amstel 12.50
Alcan 115.00	Commerzbank 217.50	Deutsche Bank 242.50	Amstel 12.50
Alcan 115.00	Deutsche Bank 242.50	Deutsche Bank 242.50	Bank of Paris 10.50
Alcan 115.00	Commerzbank 217.50	Commerzbank 217.50	Commerzbank 217.50



The Global Newspaper.

OBSERVER

A Bee in His Bonnet

By Russell Baker
NEW YORK — The good news is that giant snowdrops and brilliant yellow winter aconite are blooming about in the same place last year, but not until March 3, according to my garden diary. Last year there was a single bee buzzing around them. This gave me such a start that the diary entry said, "Where he come from?"

By Paul Taylor
AS Hollywood move closer together in the 1980s — with their star systems, the big budgets and instant fame that awaits hot new discoveries — Hollywood has started to take the art world seriously (or humorously, as the case may be).

Lights! Camera! Easel! Art Movies Roll

AS Hollywood move closer together in the 1980s — with their star systems, the big budgets and instant fame that awaits hot new discoveries — Hollywood has started to take the art world seriously (or humorously, as the case may be).



Kirk Douglas, art and angst in van Gogh film, "Last for Life."

Doug Cramer, executive vice president of Aaron Spelling Productions, says "But other than to work an art scene into a series, I don't do anything about them because they are very tough sales at the networks. The networks don't feel that the art world and any particular art subjects have the mass appeal for television movies."

PEOPLE

Caspar Weinberger Gets Honorary Knighthood

Caspar Weinberger received an honorary knighthood from Queen Elizabeth II Tuesday in a brief ceremony at Buckingham Palace. This doesn't mean the 70-year-old former U.S. defense secretary will become Sir Caspar. That accolade is reserved for the queen's own subjects. But it was Britain's way of saying thanks to a good friend. The announcement Feb. 1 cited his "outstanding and invaluable contribution" to Anglo-American defense cooperation, and his "unfailing support and assistance" during the 1982 Falkland Islands war between Britain and Argentina.

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